



Washington State
Department of Transportation

2005–2007 Current Law Budget



Adopted by the Washington State
Transportation Commission
August 19, 2004

Douglas B. MacDonald
Secretary of Transportation

Cover Design

The cover, designed by Diana Lessard, portrays the basic transportation functions provided for Washington state residents. The background picture was taken at the construction site of the new Tacoma Narrows Bridge. The small photos, left to right, are a ferry, private aircraft, Amtrak *Cascades* train, and an attenuator truck.

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**Washington State
Department of Transportation**

2005-07 Current Law Budget

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Brief document structure overview:

The beginning of the document contains the executive summary and an overview of the operating and capital programs.

The middle of the document contains details of each operating and capital program and the ten-year financial plan (Sources and Uses of Funds).

The end of the document contains appendices related to or helpful in understanding the budget proposal, including the 2003-07 Business Directions, Operations Transportation Equipment Fund business plan, Miscellaneous Transportation Programs Account information, full time equivalent (FTE) summary, organization chart, Gray Notebook (performance measurement), and glossary.

Charts and Graphs:

Charts and graphs, included to visually display information, have a consistent color scheme throughout the document:

Program	Color
Highways	Gray
Ferries	Blue
Public Transportation	Yellow
Rail	Red
Local Programs	Orange

Funds	Color
State	Yellow
Bonds	Salmon
Federal	Green
Local	Orange

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Executive Summary

Executive Summary

The 2005-07 Department of Transportation Current Law Budget proposal focuses on project and program delivery. Both on the operating side and the capital side, the chief emphasis will be to assure continued usefulness and safety of the system in serving basic transportation needs and to invest in improvements to the system wherever the legislature has directed such projects and funding is available.

An important part of the budget plan will carry forward the legislature's instructions in the 2003 Transportation Funding Package regarding the investment of bond proceeds and pay-as-you-go cash expenditures for the approximately 158 specific projects to which the legislature directed new revenues, including the five cent per gallon gas tax increase, enacted in 2003. During the 2003-05 biennium, the department has made substantial progress in implementing the projects contained in this plan. More progress will be made in 2005-07.

Apart from the specific projects designated in association with the new revenues raised in the 2003 Transportation Funding Package, programs and projects of the department will continue in 2005-07 to be constrained by the shrinking real dollar value of pre-existing transportation funding. Pre-existing funds must meet operating and capital requirements of the department's programs in many different areas. In addition, Ferries is implementing a strategic business plan to control costs and create new revenue.

On the operating side, the budget continues the historical commission, departmental, and legislative priorities of system operations and maintenance. The budget emphasizes the safe and efficient operation of facilities in order to fulfill the needs of customers and to assure that good maintenance plays its proper role in contributing to the long useful lives of all system facilities.

On the capital investment side, the project list has been essentially directed by the legislature with respect to most major projects. The projects achieve capital investment for critical safety and preservation needs of the state highway system and the state ferry system. The budget also includes substantial improvements and expansions of the transportation system in areas across the state. The most prominent of these projects are funded from the 2003 Transportation Funding Package. As well as support for the state highway and ferry systems, investments are also planned in passenger and freight rail infrastructure, state grants for public transportation and commute trip reduction, and the state aviation system. However, with tight funding constraints that include pressures from inflation on essentially static revenue sources (except for the 2003 Transportation Funding Package revenues directed to specific projects listed by the legislature), many capital needs of the system cannot be addressed by the Current Law Budget. In addition, security concerns for the transportation system continue to be evaluated.

Meanwhile, work currently underway by the Transportation Commission and the department, along with many others, to prepare an update of Washington's Transportation Plan continues. Every view of the transportation system seems to demonstrate the need for higher levels of investment that has resulted from the following factors:

- The recent, current, and future growth of demands on transportation systems resulting from population growth and economic growth.
- The historical under investment in growing transportation needs.
- The continuing aging and deterioration of transportation assets and the mounting burden for capital replacement to offset the toll of wear, tear, and functional obsolescence.

In summary, the projects approved by the legislature together with the 2003 Transportation Funding Package contain highway, ferry, rail, and transit projects that are badly needed. However, project investments not included as part of the 2003 Transportation Funding Package are very pressing and in this Current Law Budget proposal face little prospect of moving ahead.

WSDOT's Mission

Our mission is to keep people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities

WSDOT's Management Principles

Leadership. We are committed that WSDOT provide strategic vision and leadership for our state's transportation needs.

Delivery and Accountability. We shall manage the resources taxpayers and the legislature entrust to us for the highest possible return of value. We shall be disciplined in our use of both time and money. We shall account for our achievements, our shortcomings and our challenges to citizens, to elected officials, and to other public agencies.

Business Practices. We shall encourage progressive business management practices in delivering cost effective and efficient transportation programs. Our quest for short-term cost savings and business process improvement shall be balanced by the long term need to preserve and improve the state's transportation systems through sound fiscal planning and asset management.

Safety. Concern for the health and safety of the people who use and work on our transportation facilities shall be a paramount value in every area of our business.

Environmental Responsibility. Our work shall incorporate environmental protection and improvements into the day-to-day operations of the department as well as the on-going development of the state's transportation facilities.

Excellence and Integrity. Our employees shall work in a culture of workplace excellence and diversity that encourages creativity and personal responsibility, values teamwork, and always respects the contributions of one another and of those with whom we do business. We shall adhere to the highest standards of courtesy, integrity and ethical conduct. We shall encourage and recognize our employees' professionalism and their career growth.

Communications. We shall stress the importance of sharing clear, concise and timely information with WSDOT employees, elected officials, community leaders, businesses, citizens and taxpayers, others in the transportation community, with the press and other media. We shall strive for the effectiveness of all our employees in meeting WSDOT's communications standards.

WSDOT's Business Directions and Performance Reporting

The agency's recently released draft *Business Directions* (strategic plan) is based on the programs and projects funded in 2003-2005 Transportation Budget and the 2004 Supplemental budget. It reflects WSDOT's program and project delivery responsibilities with the goal to demonstrate the best possible return for taxpayers' dollars. As such, the plan supports on-going efforts to increase investments in transportation facilities and systems.

The plan outlines six key initiatives:

Plan and build (deliver) capital investment projects for our transportation systems in accordance with the instructions of the legislature.

Maintain and operate the transportation facilities and systems placed under the department's responsibility making cost-effective use of the appropriations provided by the legislator from citizens' taxes.

Optimize the operational efficiency and safety of the transportation system and facilities committed to WSDOT's charge.

Report to the Transportation Commission, citizens, other officials and the legislature on achievements, shortcomings and challenges in WSDOT's performance.

Support the State Transportation Commission in preparing proposed budgets and plans for transportation systems and facilities.

Assure the capability and efficiency of WSDOT's workforce.

Please see Appendix A for Business Directions details or visit:

http://www.wsdot.wa.gov/accountability/2003-2007_Business_Directions.pdf

While the business plan outlines the agency's strategic initiatives and related activities, the performance tracking and assessment of key functions, activities, and related system performance is done through the agency's quarterly performance report: *Measures, Markers and Mileposts*, also called the *Gray Notebook*. Measuring performance and demonstrating accountability is a top priority and WSDOT attempts to provide a comprehensive account of agency and system performance. The *Gray Notebook* is the cornerstone for most agency performance reporting. Please see Appendix F for a comprehensive index of all published performance information or visit www.wsdot.wa.gov/accountability/graybookindex.htm

WSDOT also made significant enhancements to project delivery performance reporting. The *Beige Pages* is a new section in the *Gray Notebook* that anchors a new initiative in project delivery reporting for projects funded by the Nickel funding package. The *Beige Pages* represent WSDOT's commitment to "No Surprises" reporting, covering everything from detailed project obstacles and challenges to the broader view of agency program management issues and program financing. The most recent edition of the *Gray Notebook* and the *Beige Pages* can be accessed at www.wsdot.wa.gov/accountability/graynotebook.pdf

Complementing the *Beige Pages*, WSDOT also provides comprehensive web based project information. This includes Quarterly Project Reports for selected Nickel projects, Projects Pages for key projects <http://www.wsdot.wa.gov/projects/>; and an annual construction report card, the *Construction Highlights Report*, <http://www.wsdot.wa.gov/projects/2003highlights/>

Operating Program Summaries

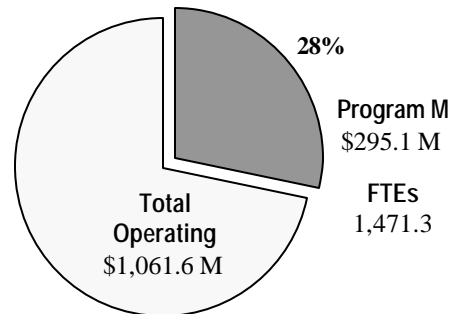
Operating Program Summaries

Key Points - 2005-07 Current Law Budget

Highway Maintenance & Operations (M)

Highway Maintenance and Operations is responsible for maintaining 17,995 lane miles of state highways, 3,291 bridges, and 850 state-owned and operated traffic signal systems. Ten major mountain passes and 45 safety rest areas are included in the system. This program's objective is to maintain the highway infrastructure in good working order and to keep people and goods moving through all kinds of weather and natural disasters. Highway Maintenance and Operations provides the highest service level that available resources allow.

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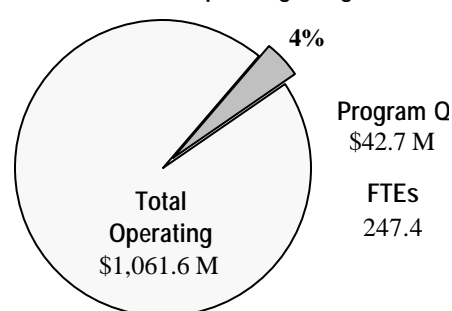


The Current Law Budget includes funding for additional safety needs, resulting from increasing traffic volumes, current traffic speed, and reduced shoulder width, to ensure the safety of maintenance employees. The budget does not include funding for system additions and inflation to maintain program delivery expectations at the 2003-05 funding level. The department will continue to strive to meet Maintenance Accountability Process overall level of service targets with its increased maintenance demands. This may cause lower priority maintenance activities to be reduced.

Traffic Operations (Q)

Traffic Operations is responsible for accomplishing the highest usage of the existing highway transportation system, utilizing regulatory measures and traffic control devices as primary tools for maximizing existing capacity and improving safety. Services include freeway and tunnel operations and incident response for traffic incidents, including bridge and tow truck operations and roving service patrols.

2005-07 Current Law Operating Budget

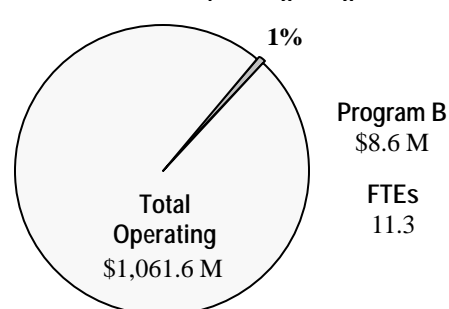


No new or expanded activities are proposed in the Current Law Budget.

Toll Operations & Maintenance (B)

Toll Operations and Maintenance is a new program proposed for the 2005-07 biennium. The Current Law Budget includes funding to operate and maintain the toll facility for the Tacoma Narrows Bridge and maintain and preserve the new bridge. These ongoing expenditures will be paid from toll revenues until debt service payments on the bonds are completed.

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Ferries Maintenance & Operations (X)

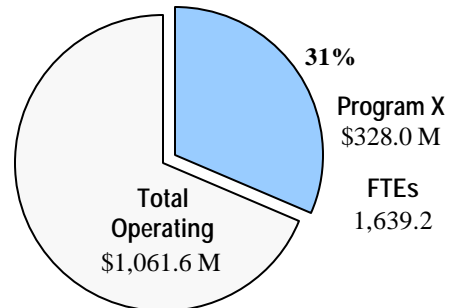
The maintenance and operation of the ferry system covers the work of the Eagle Harbor maintenance facility and supports the service provided by 28 vessels and 20 terminal facilities. The ferry system averages 480 departures and 73,000 passengers per day. Average summer peak ridership can exceed 100,000 on the busiest day of the year.

The Current Law Budget for Ferries provides cost-of-business adjustments for inflation and fuel costs to maintain the 2003-05 level of service and organizational efficiencies and realignments. This includes continued passenger only ferry service between Vashon Island and Seattle at current levels.

In the Current Law Budget, funding is provided for the following purposes:

- Reassignment of a larger vessel to the Seattle/Bremerton route to provide relief so that other vessels can receive necessary preservation and maintenance.
- Salary increases for terminal supervisors pending the completion of the Marine Employee's Commission salary survey.
- Addressing increased workload for some of the Eagle Harbor shops resulting from stringent environmental requirements.
- Evaluation of environmental management needs and the development of a comprehensive environmental strategy.

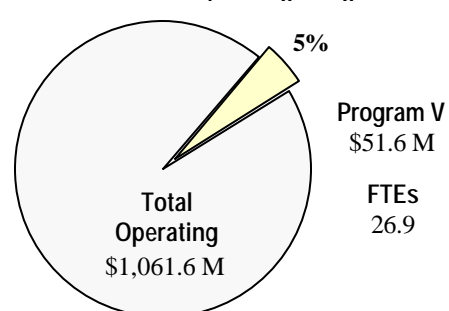
2005-07 Current Law Operating Budget



Public Transportation (V)

Public Transportation is responsible for developing, implementing, and managing strategies, initiatives, and policies that support alternatives to the use of the single occupant vehicle. The program provides financial and technical assistance to local jurisdictions and public transportation agencies and manages the state commute trip reduction program and the Agency Council on Coordinated Transportation (ACCT). The 2003 Transportation Funding Package included \$33.5 million in the 2003-05 biennium for public transportation grant programs, including rural mobility, paratransit/special needs transportation, vanpools, and trip reduction incentives for non-profit agencies.

2005-07 Current Law Operating Budget



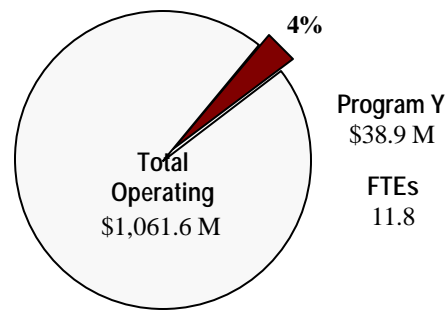
Under the 2003 Transportation Funding Package, the Current Law Budget provides additional funding for public transportation grant programs, including rural mobility, paratransit/special needs transportation, and vanpools.

Rail (Y)

Rail provides support, administration, coordination, and planning for passenger rail and freight rail, including operating subsidies for the AMTRAK Cascade Services.

The Current Law Budget provides funding to operate an additional Seattle-Portland Amtrak Cascades round trip beginning July 2005. The capital investment for the additional round trip that includes infrastructure improvements and the train set purchase will be completed in the 2003-05 biennium.

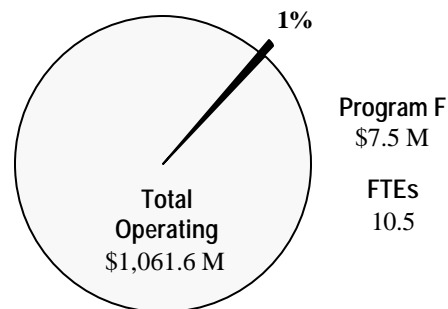
2005-07 Current Law Operating Budget



Aviation (F)

The major functions of Aviation are preservation of an adequate system of public use airports implemented through local governments; promotion of aviation in general as economic and infrastructure development; aviation safety and education; and the management of air search and rescue. Aviation's key programs include: Airport Aid Grant Program; aviation planning; coordination of air search and rescue operations; aircraft and pilot registration; and maintaining 16 state-owned airports. State grants and technical assistance are provided to municipalities for capital projects of local public use airports. Projects include runway paving, resurfacing, and crack sealing.

2005-07 Current Law Operating Budget



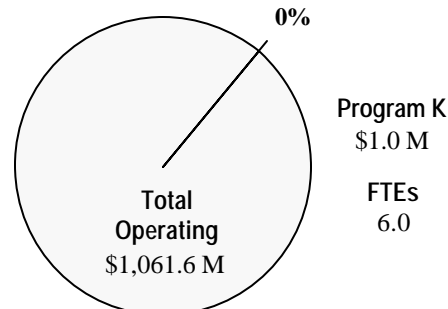
No new or expanded activities are proposed in the Current Law Budget.

Transportation Economic Partnerships (K)

Transportation Economic Partnerships provides management support for development of partnerships with private firms to develop and operate needed transportation facilities and activities.

No new or expanded activities are proposed in the Current Law Budget.

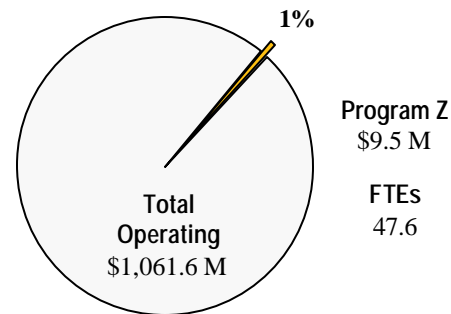
2005-07 Current Law Operating Budget



Local Programs (Z)

Local Programs is responsible for administration of state and federal funds that support city and county transportation systems. Under WSDOT's stewardship agreement with the Federal Highway Administration (FHWA), Local Programs serves as the program manager for all federal aid funds that are used locally to build and improve transportation systems of cities, counties, ports, tribal governments, transit agencies, and metropolitan and regional planning organizations statewide. Funding is also provided for management of the non-motorized portion of the highway system plan. Additionally, this program provides financial assistance to Wahkiakum County for a portion of the operating and maintenance costs of the Puget Island Ferry.

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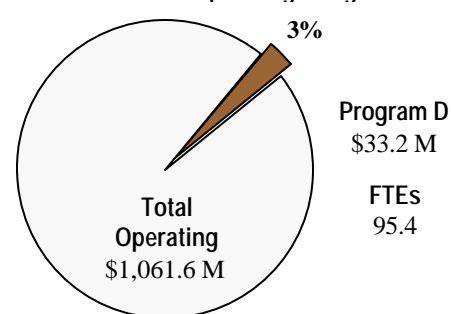


No new or expanded activities are proposed in the Current Law Budget.

Facilities Maintenance & Operations (D)

Facilities Maintenance and Operations includes management of department buildings and facilities. The program provides preventive and corrective maintenance of 700 buildings statewide, including 133 separate maintenance facilities and the six regional headquarters complexes. This includes renovation projects such as roof replacements to maintain facilities in good working condition, and site environmental cleanups and other code compliance requirements.

2005-07 Current Law Operating Budget

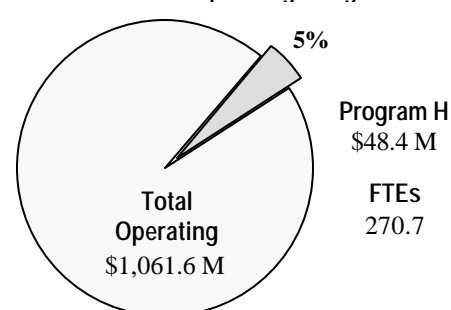


To maintain the current level of service, the Current Law Budget provides funding for increases in the costs of utilities, janitorial, and contracted maintenance services. Additional funding is included to pursue legal resolution with the Environmental Protection Agency (EPA) for the department's share of mitigation and cleanup costs related to the City of Tumwater's Palermo Well field, and to replace the Data Center's heating, ventilation, and air conditioning system.

Program Delivery Management & Support (H)

Program Delivery Management and Support includes the functions and activities associated with management and support of program delivery at headquarters and in the six regions. The program provides highway construction program management and support to headquarters and the regions, and regions' executive management and administrative services. The program also includes the department's Environmental Services Office, including the activities of the Transportation Permit Efficiency and Accountability Committee (TPEAC).

2005-07 Current Law Operating Budget



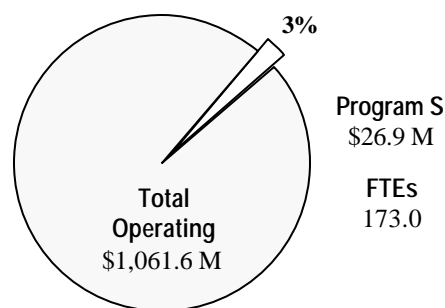
The Current Law Budget reduces funding for TPEAC by \$1.6 million because TPEAC will sunset on March 31, 2006 as required by Chapter 8, Laws of 2003.

Transportation Management and Support (S)

The Transportation Management and Support program consolidates agency-wide executive management and support service functions. The executive management and the policy and support functions of the agency include executive administration, budget, accounting, communications, government liaison, risk management, human resources, and administrative services. Also included in this program are Audit, Equal Opportunity, and the Ombudsman's offices.

The Current Law Budget includes funding for increased charges from the Office of Financial Management.

2005-07 Current Law Operating Budget

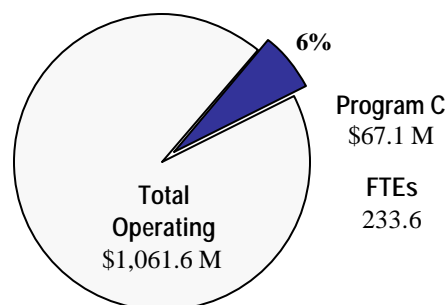


Information Technology (C)

The Office of Information Technology is responsible for developing and maintaining information systems that support the department's operations and program delivery. The office provides information technology services to all other programs, including acquisition and operation of central data processing equipment, microcomputer hardware, software, and related support equipment.

The Current Law Budget includes additional funding for an upgrade of the department's web-based traveler information system to ensure that it will be operational at all times. Funding is included to develop a long-term modernization and integration strategy for aging project management, program management, and financial computer systems.

2005-07 Current Law Operating Budget

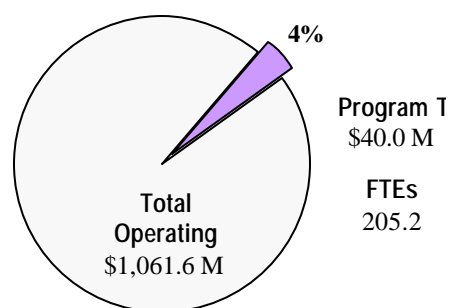


Transportation Planning, Data, & Research (T)

Planning activities for Transportation Planning, Data, and Research include developing the Washington Transportation Plan; performance reporting through the Gray Notebook; working with local jurisdictions on growth management and other issues; and administering pass through planning grants for metropolitan planning organizations and regional transportation planning organizations. Data activities include the collection and analysis of information about roadway characteristics and conditions, traffic volumes, vehicle speeds, and traffic collisions, as well as mapping and Geographic Information System services. Research activities support department programs in the areas of construction and materials, traffic management, environment, design and safety, bridges and structures, security, maintenance, and multimodal transportation. Much of the activity in this program is supported with dedicated federal State Planning and Research (SPR) funding.

No new or expanded activities are proposed in the Current Law Budget.

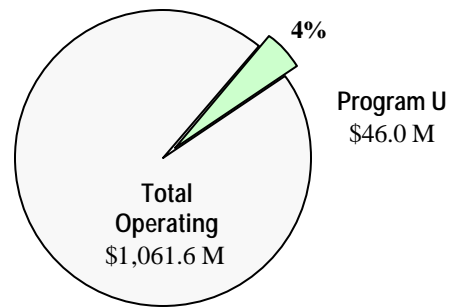
2005-07 Current Law Operating Budget



Charges From Other Agencies (U)

Charges from Other Agencies includes funding for the share of statewide general overhead activities allocated to the department. This is for the Office of the State Auditor, the Department of Personnel, the Department of General Administration, the Secretary of State, and the Office of Minority and Women's Business Enterprises. The other component is the department contribution to the state self-insurance program. Expanded risk management will be in place to control future highway premiums and marine liability reimbursements

2005-07 Current Law Operating Budget



The Current Law Budget includes funding for increased charges from the Department of General Administration, Department of Personnel, and the Secretary of State (Archives). There is a reduction in the amount for the Self Insurance Liability premium due to revisions in projected funding requirements.

Capital Program Summaries

Capital Program Summaries

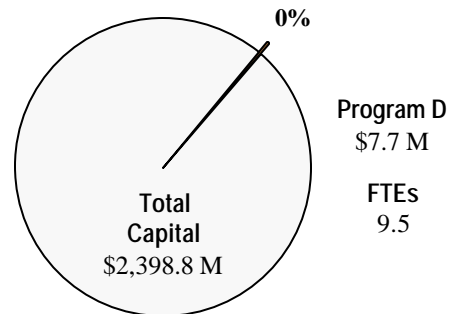
Key Points - 2005-07 Current Law Budget

Capital Facilities (D)

Capital Facilities includes the management and funding of capital improvements to the department's buildings and related sites. Capital improvements are focused on consolidating activities and workforce to improve productivity.

The Current Law Budget includes the request to finance the replacement of three major region facilities through the Certificate of Participation debt-financing program administered by the state. They are the Ephrata area maintenance facility, Vancouver light industrial facilities, and the Olympic Region headquarters. A portion of the budget is reserved for payments of debt service on the certificates of participation in the 2005-07 biennium. Funding is also provided to construct the Spokane Street maintenance facility.

2005-07 Current Law Capital Budget

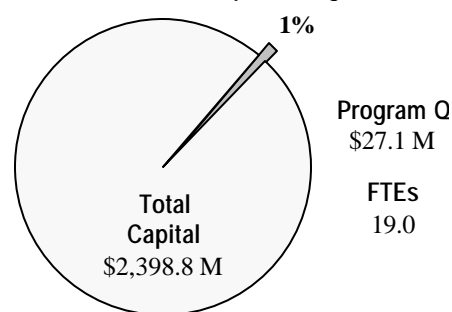


Traffic Operations (Q)

Traffic Operations' projects improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology to transportation.

The Current Law Budget provides funding for the completion of 18 ongoing projects and to begin new projects that improve traffic flow. Examples of such projects are traffic and weather information cameras for motorist and media use, traveler information systems, and electronic signing for motorist traffic advisory.

2005-07 Current Law Capital Budget



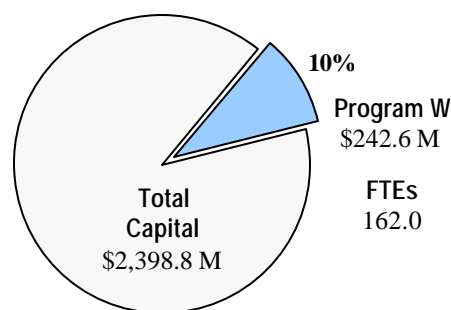
These projects for monitoring compliance with truck weight limits are also included in the budget:

- Construction and installation of a static scales and weigh station building at Prosser.
- Weigh in motion capability for the Commercial Vehicle Information Systems and Networks (CVISN) at Cle Elum and Prosser.
- Replacement of the existing weigh in motion facility at Bow Hill.
- Installation of remote vehicle identification equipment and cameras for CVISN at Cle Elum.

Ferries Construction (W)

The department makes capital investments in the ferry system through the Ferries Construction Program. The program preserves existing and builds new ferry terminals and vessels. Ferries infrastructure includes 28 vessels, 20 terminals and the Eagle Harbor Maintenance Facility. Capital funds are allocated to three major activity categories: terminals, vessels, and emergency repairs. The Life-Cycle Model created by Ferries provides the tool to effectively manage preservation projects and stabilize capital investments over time. This model provides reliable projections necessary to quantify the long-term preservation requirements and identifies the capital investment issues for the ferry system.

2005-07 Current Law Capital Budget

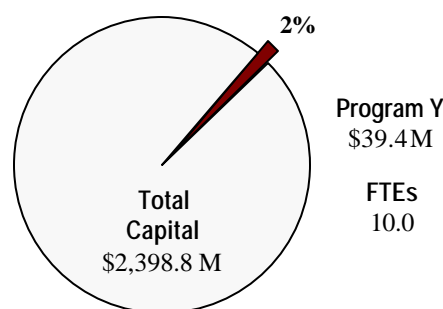


The Current Law budget includes funding to preserve existing ferry terminals and vessels, to continue replacement of four auto-passenger ferries built in 1927, and multimodal terminal improvements at Anacortes and Mukilteo.

Rail (Y)

The Rail program provides management and funding of the state's investment in the capital components of the rail passenger program, including track system improvements and acquisition of passenger train equipment. Financial assistance is provided for light density freight rail systems to preserve freight rail service to communities throughout the state.

2005-07 Current Law Capital Budget

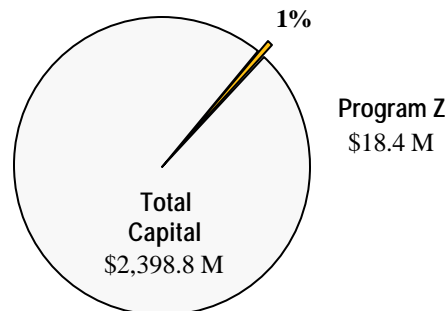


The Current Law budget provides funding for track and infrastructure improvements between Vancouver, Washington, and Bellingham. The 2005-07 passenger rail investment is adjusted to reflect updated costs and other corrections that support delivery of projects that must be completed to add a fifth Seattle/Portland roundtrip, including the addition of the High Speed Crossovers—Winlock Project. Funding is also provided for emergent freight rail assistance projects to improve the movement of goods throughout the state and to the ports.

Local Programs (Z)

Local Programs administers the local agency federal aid program that provides approximately \$350 million in financial assistance to cities, counties, ports, tribal governments, transit systems, and metropolitan and regional planning organizations statewide for approximately 1,500 local transportation improvement projects.

2005-07 Current Law Capital Budget

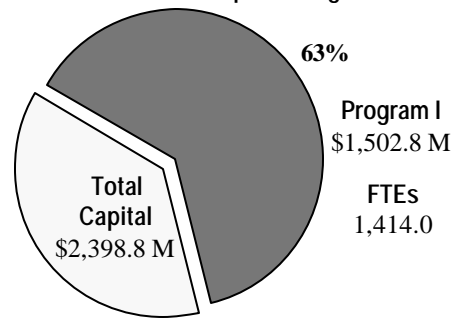


The Current Law budget provides funding to complete the 2004 freight mobility projects, including the D Street Grade Separation project.

Highway Construction (I & P)

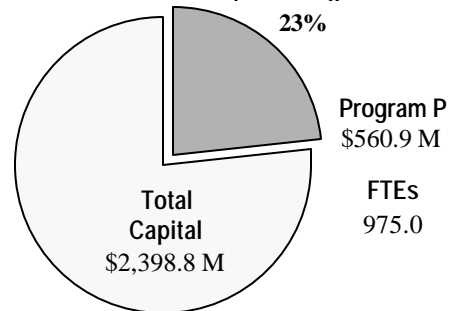
The Improvement Program is responsible for projects that increase state highway capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and limit adverse environmental impacts resulting from highway construction projects. It also includes the construction of the new Tacoma Narrows Bridge.

2005-07 Current Law Capital Budget



The Highway Preservation Program is responsible for the investments that are needed to preserve the structural integrity of the state highway system. They include projects to preserve and rehabilitate roadway pavements, bridges, and other structures and facilities, such as highway rest areas.

2005-07 Current Law Capital Budget



Improvement Program

Excluding the \$278.7 million for the construction of the Tacoma Narrows Bridge, the budget provides \$1.2 billion for mobility, safety, and other highway improvement projects. It will be allocated to work in progress and new starts for projects that are included in the Legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004.

Additional revenues from the 2003 Transportation funding package provide about 80% (\$922.2 million) of the amount budgeted for highway improvement projects in the 2005-07 biennium. This added funding gives the department the ability to make substantial progress in resolving congestion and other mobility issues throughout the state. Mobility projects funded include:

- I-5 SR 526 to Marine View Drive HOV, Everett
- SR 16 I-5 to Tacoma Narrows Bridge HOV, Tacoma
- SR 24 I-82 to Keys Road, Yakima
- I-205 Mill Plain Exit (112th Connector), Vancouver
- SR 270 Pullman to Idaho State Line, Pullman
- SR 395 North Spokane Corridor

Including revenue sources in place before the 2003 Transportation Funding Package, the Current Law Budget also provides funding for other mobility projects and high priority projects to improve highway safety and freight movement and tourism development, and to address environmental issues such as elimination of fish passage barriers and control of storm water runoff.

Preservation Program

\$244.8 million of the 2005-07 budget is allocated for pavement preservation projects, \$252.6 million for bridge structures, and \$63.5 million for other structures and facilities.

For pavement preservation projects, the department will continue to implement lowest life cycle cost approaches in managing asphalt pavements and start construction of the highest priority paving projects. Funding for rehabilitation of concrete pavements is limited to completion of projects started in the 2003-05 biennium.

The bridge structures budget includes \$175.6 million for the Hood Canal Bridge project. Remaining funds will be targeted for the replacement of several functionally obsolete and structurally deficient bridges; and preservation projects for other bridges, such as seismic retrofits, painting, and bridge deck rehabilitation.

The \$63.5 allocated for other structures and facilities will fund safety rest area refurbishments, construction of weigh stations, projects to address unstable slopes, and projects to correct deficiencies in drainage and electrical systems serving a few state highway sections.

Operating Program Detail

Operating Programs Overview

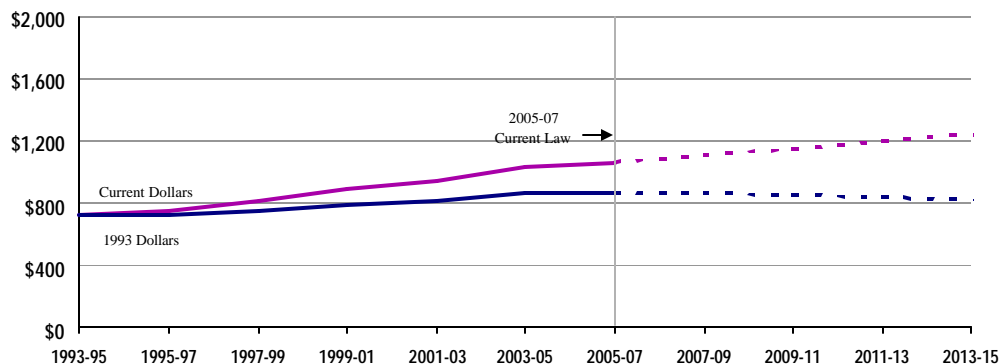
The 2005-07 Current Law Budget allocates resources to the programs and activities that operate, maintain, and support Washington State's existing transportation system. The budget makes only minor adjustments to 2003-05 funding levels. They include:

- Provide funding for Highway Maintenance and Operations to ensure the safety of maintenance employees with increased traffic volumes, current traffic speed, and reduced shoulder width.
- Provide funding for Ferries Maintenance and Operations to maintain the current level of service, including passenger only ferry service between Vashon Island and Seattle, and to continue organizational efficiencies and realignments.
- Provide funding to operate and maintain the toll facility for the Tacoma Narrows Bridge and maintain and preserve the new bridge.
- Consistent with the 2003 Transportation Funding Package, increase funding for public transportation grant programs, including rural mobility, paratransit/special needs transportation, and vanpools.
- Add funding to operate an additional Seattle -Portland Amtrak Cascades round trip beginning July 2005.
- Continue funding of information technology requirements for project and program delivery.
- Adjust funding for Aviation activities to match available dedicated revenues.
- Provide funding to maintain the current level of service for Capital Facilities.
- Reduce funding for Charges from Other Agencies to reflect expected decrease in liability costs.

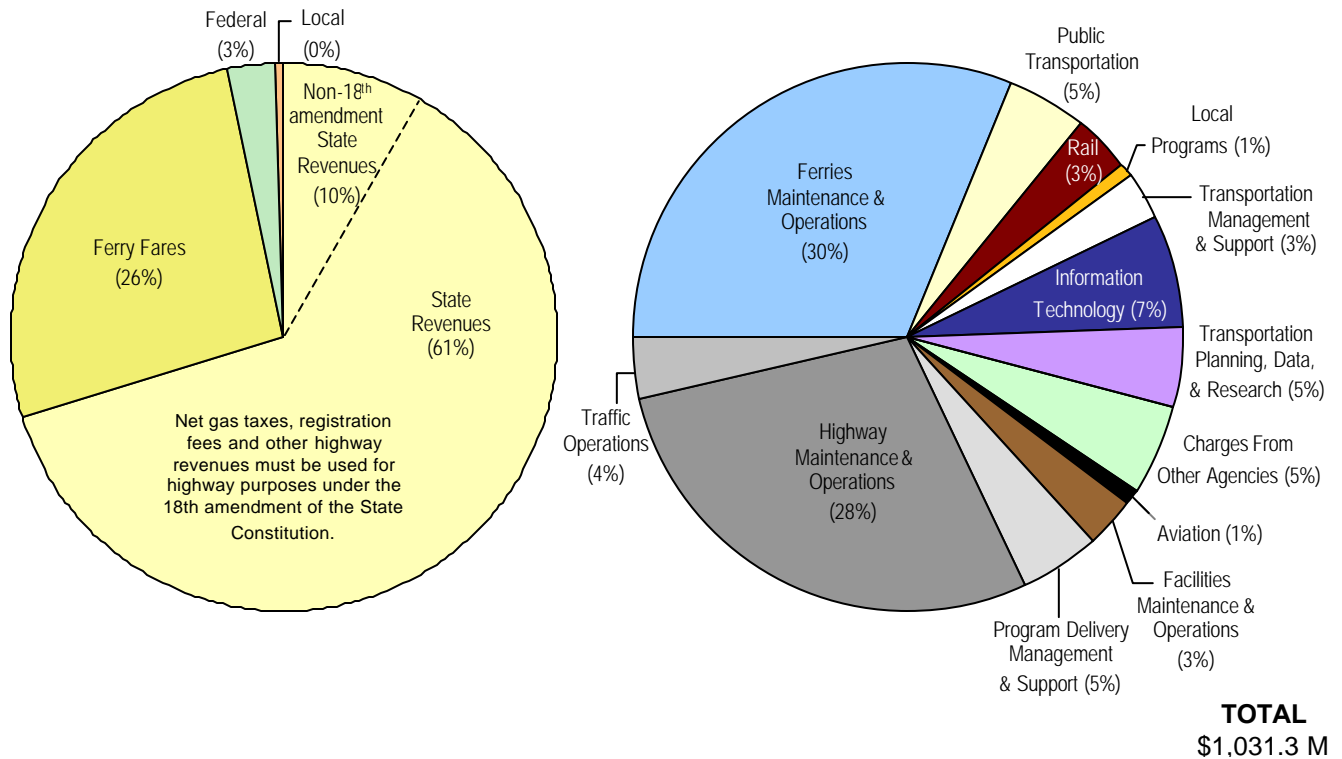
Expenditure Trends

Operating Programs

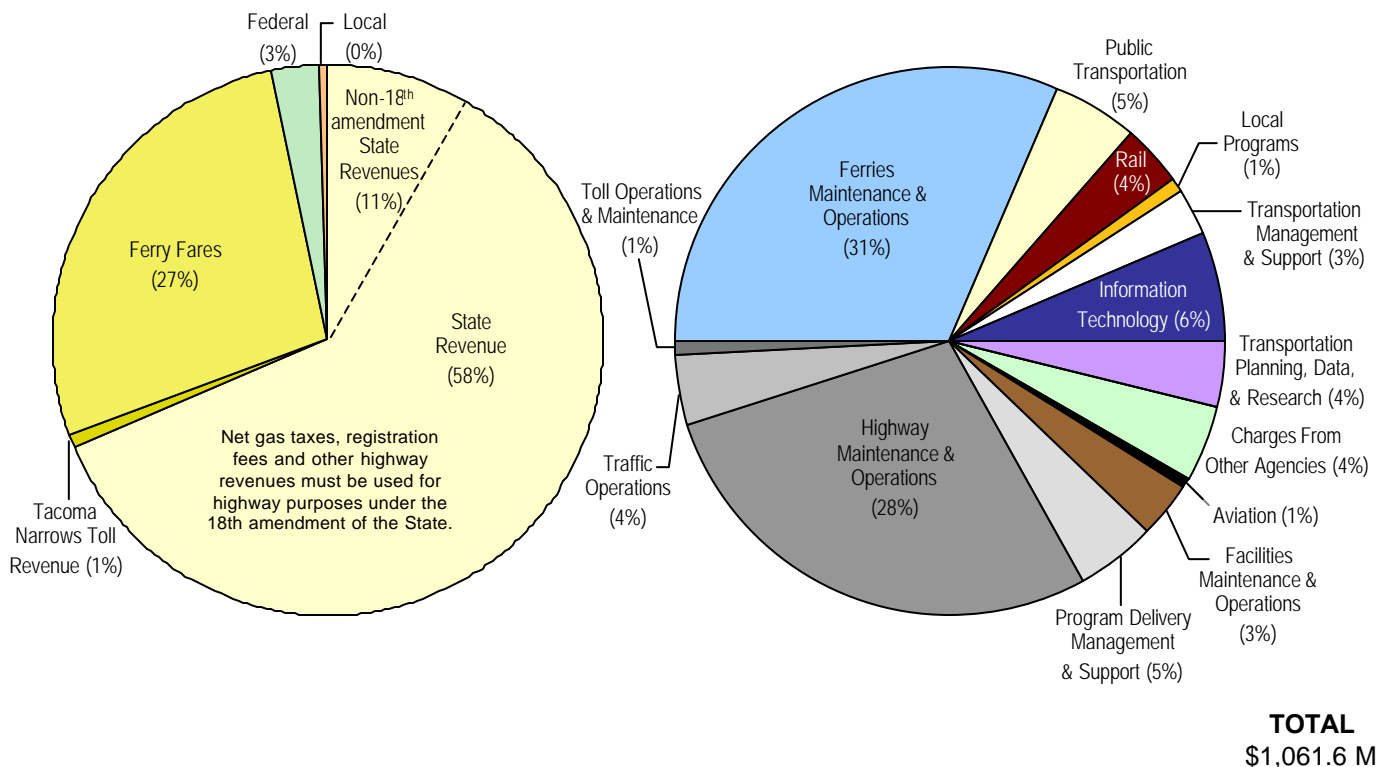
(dollars in millions)



2003-05 Enacted Operating Fund Sources & Uses



2005-07 Current Law Operating Fund Sources & Uses



Operating Budget

Dollars in millions

	2003-05 Budget	2005-07 Carry Forward Adjustments	2005-07 Current Law Proposals	2005-07 Proposed Structure Changes	2005-07 Current Law Proposed Budget	2005-15 Plan
Highways						
Highway Maintenance & Operations	\$291.0	\$1.1	4.7	(\$1.7)	\$295.1	\$1,544.8
Traffic Operations	39.2	2.3	0.0	1.3	42.7	223.2
Toll Operations & Maintenance	-	-	8.6	-	8.6	151.0
<i>Highways Total</i>	<i>\$330.2</i>	<i>\$3.4</i>	<i>13.3</i>	<i>(\$0.4)</i>	<i>\$346.4</i>	<i>\$1,918.9</i>
Ferries						
<i>Ferries Maintenance & Operations</i>	<i>\$318.8</i>	<i>\$1.3</i>	<i>8.5</i>	<i>(\$0.5)</i>	<i>\$328.0</i>	<i>\$1,801.4</i>
Public Transportation & Rail						
Public Transportation	\$49.8	(\$3.5)	5.1	\$0.2	\$51.6	\$298.8
Rail	34.1	(0.8)	5.5	-	38.9	201.4
<i>Public Transportation & Rail Total</i>	<i>\$83.9</i>	<i>(\$4.2)</i>	<i>10.6</i>	<i>\$0.2</i>	<i>\$90.5</i>	<i>\$500.2</i>
Aviation						
<i>Aviation</i>	<i>\$8.0</i>	<i>(\$0.5)</i>	<i>-</i>	<i>\$0.0</i>	<i>\$7.5</i>	<i>\$37.5</i>
Transportation Partnerships						
Transportation Economic Partnerships	\$1.0	\$0.0	-	\$0.0	\$1.0	\$5.3
Local Programs	9.7	(0.3)	-	0.2	9.5	50.0
<i>Transportation Partnerships Total</i>	<i>\$10.7</i>	<i>(\$0.3)</i>	<i>-</i>	<i>\$0.2</i>	<i>\$10.5</i>	<i>\$55.4</i>
Support Services						
Facilities Maintenance & Operations	\$31.1	\$0.1	1.6	\$0.4	\$33.2	\$173.1
Program Delivery Management & Support	49.6	0.8	(1.6)	(0.4)	48.4	253.0
Transportation Management & Support	27.4	0.3	0.2	(1.0)	26.9	140.9
Information Technology	68.9	(4.0)	3.8	(1.6)	67.1	351.2
Transportation Planning, Data, & Research	47.9	(10.3)	-	2.3	40.0	205.4
Charges from Other Agencies	54.7	-	(8.8)	-	46.0	240.5
<i>Support Services Total</i>	<i>\$279.7</i>	<i>(\$13.1)</i>	<i>(4.8)</i>	<i>(\$0.3)</i>	<i>\$261.5</i>	<i>\$1,363.9</i>
Subtotal	\$1,031.3	(\$13.4)	27.5	(\$0.9)	\$1,044.5	\$5,677.3
Compensation Changes	-	-	17.1	-	17.1	101.1
Total	\$1,031.3	(\$13.4)	44.6	(\$0.9)	\$1,061.6	\$5,778.4

Current Law Proposals

Dollars in millions

Highways	
Work Zone Safety - Maintenance	\$4.7
Tacoma Narrows Bridge Toll Operations & Maintenance	8.6
Increased Charges from Other Agencies (\$4K)	0.0
<i>Total Highways</i>	\$13.3
Ferries	
Terminal Supervisors Wage Increase	\$0.3
Vessel Reassignment-Seattle/Bremerton	0.4
Ferries Environmental Program	0.2
Eagle Harbor Hydraulic System Support	0.9
Insurance Increase	1.3
Fuel Adjustment	3.7
Inflation	1.6
Increased Charges from Other Agencies (\$12K)	0.0
<i>Total Ferries</i>	\$8.5
Public Transportation & Rail	
Grant Funding - 2003 Funding Package	\$5.0
CTR County Funding	0.1
Additional Service - Rail	5.5
Increased Charges from Other Agencies (\$2K)	0.0
<i>Total Public Transportation & Rail</i>	\$10.6
Support Services	
Palermo Well Field	\$0.5
Utilities, Janitorial, and Contracted Maintenance Increases.	0.8
Data Center HVAC Replacement	0.3
Transportation Permit Efficiency & Accountability Committee (TPEAC) Reduction	(1.6)
Public Information Systems Upgrade	1.6
Mandatory Information Technology Expenditures	0.7
Critical Computer Applications Assessment	0.7
Infrastructure Investment	0.5
Records Management Imaging System	0.2
Project Scoping & Development Data Portal	0.2
Tools to Manage Project Delivery Fund Source Shift	(0.0)
Ferries Environmental Program (\$9K)	0.0
Eagle Harbor Hydraulic System Support (\$37K)	0.0
Self Insurance Liability Premium	(10.0)
Increased Charges from Other Agencies	1.4
<i>Total Support Services</i>	(\$4.8)
Compensation	\$17.1
Total 2005-07 Current Law Proposals	\$44.6

Highway Maintenance & Operations

2003-05 Budget

The Highway Maintenance and Operations program includes maintenance of over 17,995 lane miles of state highways, ten major mountain passes, 45 rest areas, 3,291 bridges, and 850 state-owned and operated traffic signal systems serving both general purpose and HOV lane systems.

- | | |
|----------------------------------|---------------------------------------|
| • Snow & Ice | • Object Removal |
| • Roadside Vegetation Management | • Culverts, Ditches, & Catch Basins |
| • Signals & Lights | • Bridge Repairs & Operations |
| • Rest Areas | • Signs, Guardrails, etc. |
| • Litter & Sweeping | • Maintenance Mgt, Training & Support |

The budget includes funding to maintain additions to the state highway system and continue the 2001-03 level of service targets. Additional funding was not provided to offset the cost of inflation. The department is concentrating on meeting or exceeding the target for structural bridge repair on a statewide basis; eliminating the number of activities delivered in the "F" level of service at the region level; and reducing the number of activities in the "D" level of service. In addition, the department continues to evaluate and analyze, and potentially redistribute resources within and among regions, to provide greater consistency in delivering the program statewide and in achieving overall level of service targets.

The Maintenance Accountability Process (MAP) targets, measures, and communicates the outcomes of 34 distinct highway maintenance activities. Maintenance results are measured using field condition surveys, and are reported as Level of Service (LOS) ratings. LOS targets are defined in terms of the condition of various highway features (for example, the percent of guardrail on a highway system segment that is damaged). LOS targets are also keyed to the level of funding provided by the Legislature. The table shows a list of maintenance activities (in prioritized order) for which LOS targets have been set in the 2003-05 biennium. During 2003, targets for all activities were achieved.

The 2004 Supplemental Budget includes funding for increased stormwater assessment fees charged by the cities and counties.

WSDOT Maintenance Targets Achieved for 2003

Maintenance Activity	Achieved
Pavement Patching and Repair	✓
Snow and Ice Control Operations	✓
Traffic Signal Systems	✓
Movable and Floating Bridge Operations	✓
Urban Tunnel Systems	✓
Keller Ferry Operations	✓
Guardrail Maintenance	✓
Noxious Weed Control	✓
Structural Bridge Repair	✓
Intelligent Traffic Systems	✓
Control of Vegetation Obstructions	✓
Permits/Franchises	✓
Maintain Culverts	✓
Regulatory Sign Maintenance	✓
Slope Repairs	✓
Crack Sealing	✓
Bridge Deck Repair	✓
Safety Patrol	✓
Rest Area Operations	✓
Highway Lighting Systems Operations	✓
Pavement Striping Maintenance	✓
Maintain Catch Basins and Inlets	✓
Raised/Depressed Pavement Markers	✓
Sweeping and Cleaning	✓
Nuisance Vegetation Control	✓
Maintain Ditches	✓
Shoulder Maintenance	✓
Detention/Retention Basins	✓
Litter Pickup	✓
Guide Sign Maintenance	✓
Landscape Maintenance	✓
Guidepost Maintenance	✓
Bridge Cleaning	✓
Pavement Marking Maintenance	✓

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Highway Maintenance & Operations	\$291.0 M	\$295.1 M	\$1,544.8 M

*Does not include \$2.8M in nonappropriated funding.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$292.1
Work Zone Safety	4.7
Increased Charges from Other Agencies	0.0
Program Structure Changes (\$3K)	(1.7)
Total	\$295.1

2005-07 Current Law Budget

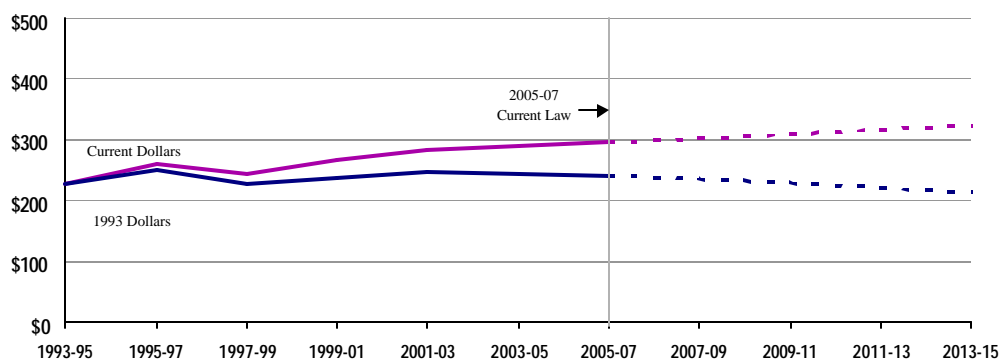
The Current Law Budget includes additional funding for additional safety needs resulting from increasing traffic volumes, current traffic speed, and reduced shoulder width. Work zones will be established to meet traffic control regulations, ensure the safety of maintenance employees, and increase the safety of the traveling public. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

The budget does not include funding for system additions and inflation to maintain program delivery expectations at the 2003-05 funding level. The department will continue to strive to meet Maintenance Accountability Process overall level of service targets with its increased maintenance demands. This may cause lower priority maintenance activities to be reduced.

Expenditure Trends

Highway Maintenance

(dollars in millions)



Traffic Operations

2003-05 Budget

Traffic Operations manages programs involving traffic control devices and regulatory tools to maximize system efficiency and work toward ensuring the safe use and operation of the transportation system. Services include freeway and tunnel operations, Transportation Management Centers, and incident response for traffic incidents, including bridge and tow truck operations and roving service patrols. The 2003-05 budget provides funding to operate traffic control devices installed during the 2001-03 biennium, including traffic signals, ramp meters, electronic message signs, communications stations, roadway/traffic web sites, and roadway weather information stations. Funding is reduced to account for efficiencies that are expected in program administration, management, and operation. The budget also includes funding to continue the incident response program at the fiscal year 2003 level, which expanded the program from call out to roving patrols of 52 units in 31 zones.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Traffic Operations	\$39.2 M	\$42.7 M	\$223.2 M

*Does not include \$0.5M in nonappropriated funding and \$2.1M in unanticipated receipts.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	<i>\$41.4</i>
Increased Charges from Other Agencies (\$1K)	0.0
Program Structure Changes	1.3
Total	\$42.7

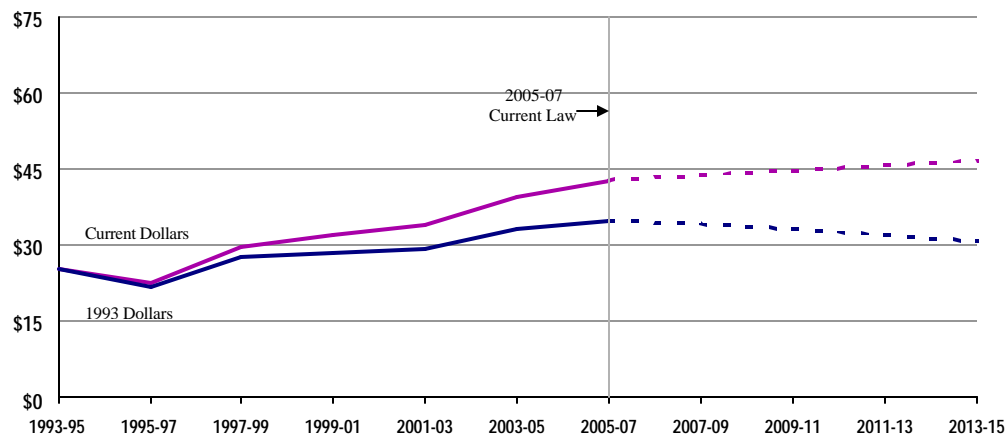
2005-07 Current Law Budget

The Current Law Budget does not include funding for system additions and inflation to maintain program delivery expectations at the 2003-05 funding level. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Traffic Operations

(dollars in millions)



Toll Operations & Maintenance

2003-05 Current Law Budget

Toll Operations and Maintenance is a new program proposed for the 2005-07 biennium.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Toll Operations & Maintenance	-	\$8.6 M	\$151.0 M

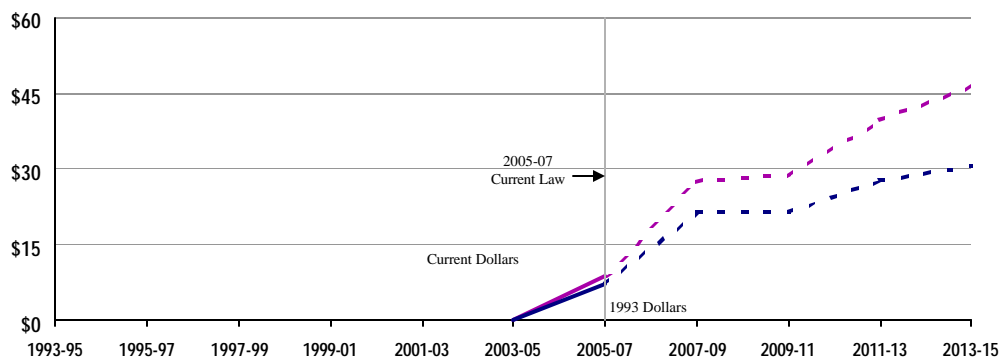
2005-07 Current Law Budget – dollars in millions

Tacoma Narrows Bridge Toll Operations & Maintenance	\$8.6
Total	\$8.6

2005-07 Current Law Budget

The Current Law Budget includes funding to operate and maintain the toll facility for the Tacoma Narrows Bridge and maintain and preserve the new bridge. These ongoing expenditures will be paid from toll revenues until debt service payments on the bonds are completed.

Expenditure Trends
Toll Operations & Maintenance
(dollars in millions)



Ferries Maintenance & Operations

2003-05 Budget

The maintenance and operation of the ferry system includes 28 vessels, 20 terminal facilities, and the Eagle Harbor maintenance facility. The ferry system averages 480 departures and 73,000 passengers per day. Average summer peak ridership can exceed 100,000 on the busiest day of the year. Funding in some categories reflects schedule adjustments, more efficient use of relief vessels, and other proposed efficiencies. Funding is provided for passenger-only ferry service from Bremerton to Seattle for thirteen weeks and from Vashon to Seattle for the biennium. Funding is included to strengthen risk management, support technology systems and infrastructure, establish labor relations positions, and consolidate safety, regulatory, and environmental elements of the Safety Management System. The funding for fuel is revised to reflect the latest estimated consumption rates and fuel cost index.

As directed by the 2003-05 enacted budget, the department reported to the transportation committees by December 2003 on the following:

- The plan, developed by July 1, 2003, to increase passenger-only farebox recovery to at least forty percent, with an additional goal of eighty percent, through increased fares, lower operation costs, and other cost-saving measures. In order to implement the plan, ferry system management is authorized to negotiate changes in work hours, but only with respect to operating passenger-only ferry service.
- Options, strategies, and recommendations for managing fuel purchases and costs identified by working with the Department of General Administration.

The department is to report on the potential for private or public partners, including but not limited to King County, to provide passenger-only service from Vashon to Seattle. By December 1st of each year, the status of implementing and completing the regional fare coordination system (smart card) is to be provided to the legislative transportation committees. The department must also report by December 1, 2004, to the committees on options, strategies, and recommendations for sale/lease-back agreements on existing vessels as well as future ferry purchases.

The 2004 Supplemental Budget includes funding to implement security measures and achieve compliance with the new regulations mandated by the Maritime Transportation Security Act of 2002 and the International Ship and Port Security Code. Funding is provided for insurance premium increases due to recent claims and existing insurance market conditions and for fuel to reflect the February cost index and its impact on first year fuel costs.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Ferries Maintenance & Operations	\$318.8 M	\$328.0 M	\$1,801.4 M

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$320.1
Terminal Supervisors Wage Increase	0.3
Vessel Reassignment-Seattle/Bremerton	0.4
Ferries Environmental Program	0.2
Eagle Harbor Hydraulic System Support	0.9
Insurance Increase	1.3
Fuel Adjustment	3.7
Inflation	1.6
Increased Charges from Other Agencies (\$12K)	0.0
Program Structure Changes	(0.5)
Total	\$328.0

2005-07 Current Law Budget

24

August 19, 2004

2005-07 Current Law Budget

The Current Law Budget for Ferries includes cost-of-business adjustments for inflation and fuel costs to maintain the 2003-05 level of service and to continue organizational efficiencies and realignments. Funding is also included for continued passenger only ferry service between Vashon Island and Seattle at current levels.

Funding is requested to evaluate environmental management needs and develop a comprehensive environmental strategy. Funding is also requested for the reassignment of a larger vessel to the Seattle/Bremerton route to provide relief so that other vessels can receive necessary preservation and maintenance repairs. Pending the completion of the Marine Employee's Commission salary survey, funding is requested for salary increases for terminal supervisors. The increased workload for certain Eagle Harbor shops resulting from the proliferation of hydraulic equipment and programmable logic controllers and their inherent environmental requirements and Ferries' "Zero Oil Spill Tolerance" policy is also addressed.

Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

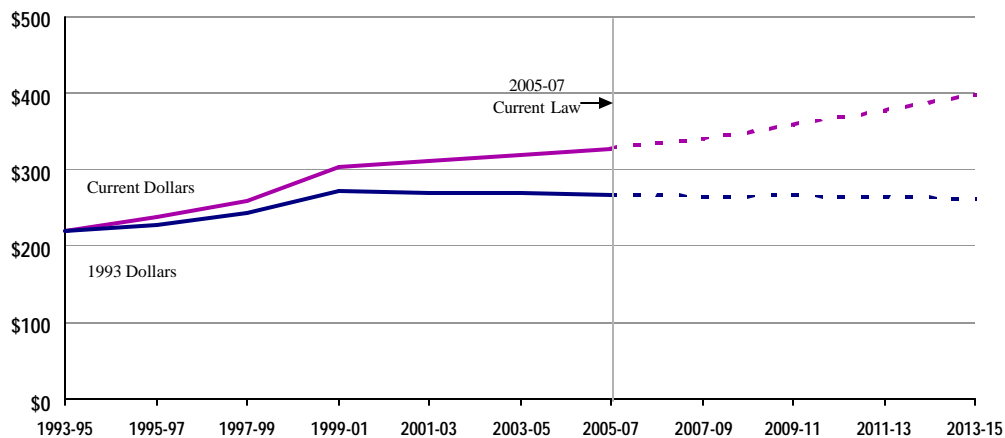
During the 2005-07 biennium, Ferries will continue to face significant financial issues, including:

- Increased regulatory requirements relating to security, safety, and the environment.
- Maintaining ridership with increasing tariffs.
- Fuel cost volatility.
- Generation of new operating revenues at levels anticipated in the original plan.

Expenditure Trends

Ferries Maintenance & Operations

(dollars in millions)



Public Transportation

2003-05 Budget

The Public Transportation program is responsible for developing, implementing, and managing strategies, initiatives, and policies that support alternatives to the single occupant vehicle. The program provides financial and technical assistance to local jurisdictions and public transportation agencies; and manages the state commute trip reduction program and the Agency Council on Coordinated Transportation (ACCT). The budget provides a current law funding level of \$16.3 million with an additional \$33.5 million from the 2003 Transportation Funding Package for public transportation grant programs, including rural mobility, paratransit/special needs transportation, vanpools, and trip reduction incentives for non-profit agencies. Funding is also provided to the city of Seattle for a streetcar project on south Lake Union.

The 2004 Supplemental Budget provides funding to address Benton County's needs as it joins the commute trip reduction program and for the state contribution for the flex car program. Paratransit/special needs funds may be used by transit agencies for operating and capital purposes as long as the agencies maintain or increase special needs transportation compared to the previous year. The use of vanpool funds provided in the 2003 Transportation Funding Package is expanded to include incentives for employers to increase employee vanpool use.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Public Transportation	\$49.8 M	\$51.6 M	\$298.8 M

*Does not include \$18.1M in nonappropriated funding.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$46.3
Grant Funding - 2003 Funding Package	5.0
CTR County Funding	0.1
Program Structure Changes	0.2
Total	\$51.6

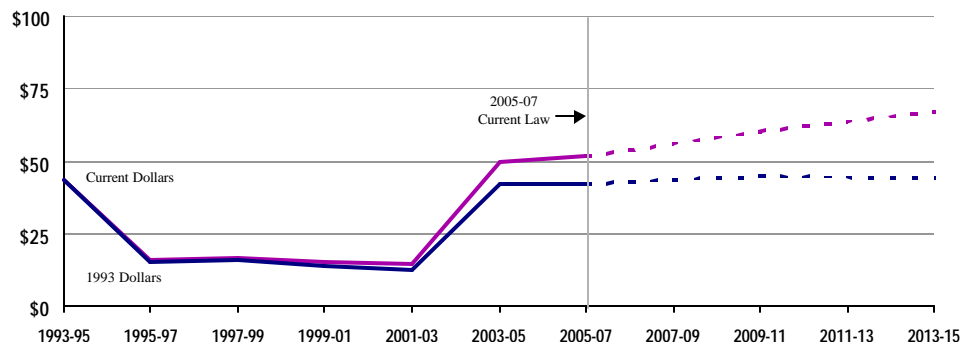
2005-07 Current Law Budget

Consistent with the 2003 Transportation Funding Package, the current law budget requests additional funding for public transportation grant programs, including rural mobility, paratransit/special needs transportation, and vanpools. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Public Transportation

(dollars in millions)



NOTE: 1993-95 state grant funding was substantially higher than usual.

Rail

2003-05 Budget

The Rail program provides support, administration, coordination, and planning for passenger rail and freight rail, including operating subsidies for the AMTRAK Cascade Services. The Current Law Budget includes funding to maintain the 2001-03 level of service, including four state sponsored passenger rail service runs and freight rail coordination, assistance, and planning.

The 2004 Supplemental Budget reduces funding because of decreases in the annual Amtrak service contract costs. The revised funding level will maintain the current Amtrak Cascades service frequencies, including four state-sponsored passenger rail service runs. Funding is also reduced for savings realized from vacant positions through December 2003.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Rail	\$34.1 M	\$38.9 M	\$201.4 M

*Does not include \$0.1M in nonappropriated funding.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$33.4
Additional Service - Rail	5.5
Increased Charges from Other Agencies (\$2K)	0.0
Total	\$38.9

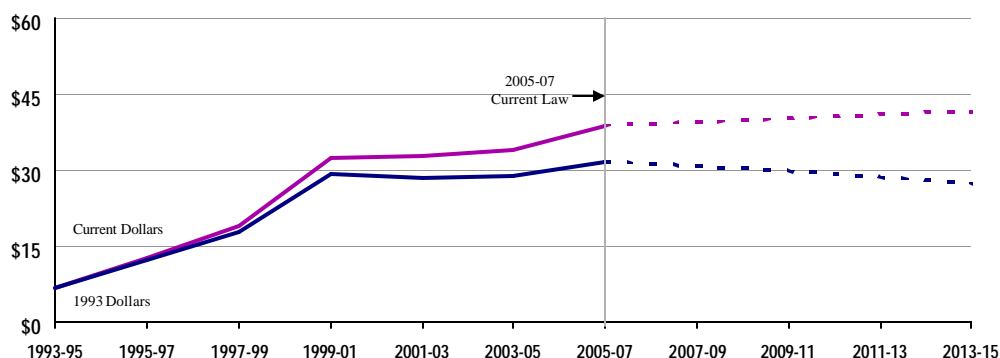
2005-07 Current Law Budget

The Current Law Budget requests funding to operate an additional Seattle -Portland Amtrak Cascades round trip beginning July 2005. The capital investment for the additional round trip that includes infrastructure improvements and the train set purchase will be completed in the 2003-05 biennium. This additional frequency contributes to the department goals for additional service and ridership.

Expenditure Trends

Rail - Operating

(dollars in millions)



Aviation

2003-05 Budget

The major functions of the Aviation Division are preservation of an adequate system of public use airports implemented through local governments; promotion of aviation in general as economic and infrastructure development; aviation safety and education; and the management of air search and rescue. The Aviation Division's key programs include: Airport Aid Grant Program; aviation planning; coordination of air search and rescue operations; aircraft and pilot registration; and maintaining 16 state-owned airports. State grants and technical assistance are provided to municipalities for capital projects of local public use airports. Projects include runway paving, resurfacing, and crack sealing.

With the new revenue from adjustments to fees, taxes, and penalties for pilots and aircraft (SB 6056), additional funding is provided for preservation grants and search and rescue and safety and education activities. Federal funds are provided for airport assistance grants for preservation of local airports and FAA planning grants.

The 2004 Supplemental Budget reduces appropriations to reflect the current revenue forecast for the Search and Rescue Account. Additional funding is also provided for airport assistance grants for the preservation of local public use airports and to implement planning projects supported by Federal Aviation Administration grants.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Aviation	\$8.0 M	\$7.5 M	\$37.5 M

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$7.5
Total	\$7.5

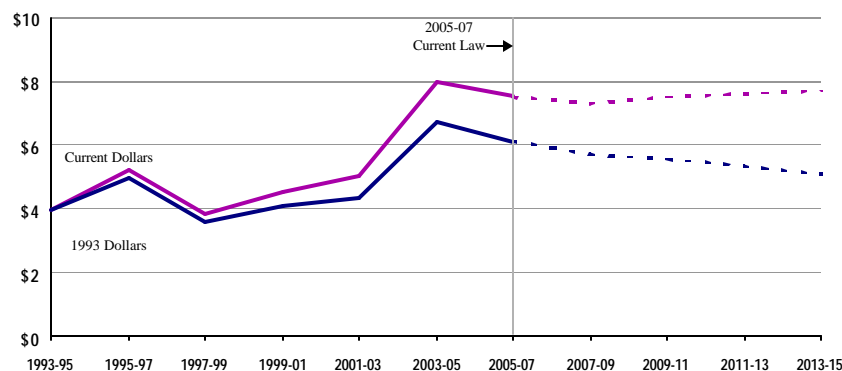
2005-07 Current Law Budget

No new or expanded activities are proposed in the Current Law Budget.

Expenditure Trends

Aviation

(dollars in millions)



Transportation Economic Partnerships

2003-05 Budget

Transportation Economic Partnerships provides management support for development of partnerships with private firms to develop and operate needed transportation facilities and activities. The budget provides funding to maintain an independent economic partnership program and complete the study of public-private partnerships. The findings and recommendations of the Legislative Oversight Committee were reported to the Legislature by December 1, 2003.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Transportation Economic Partnerships	\$1.0 M	\$1.0 M	\$5.3 M

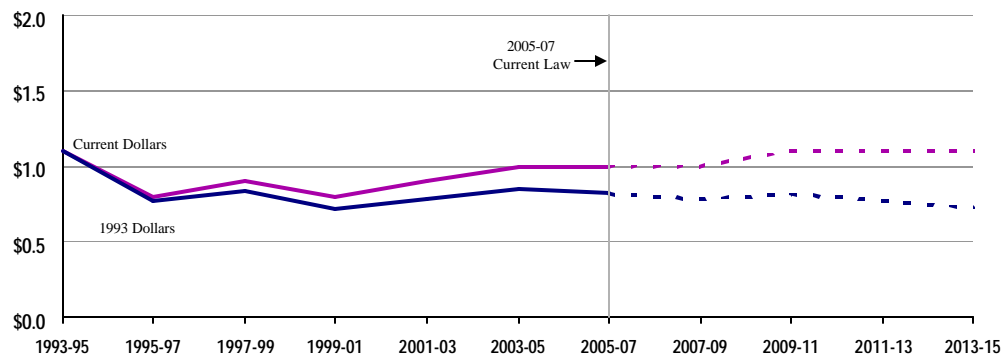
2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	<i>\$1.0</i>
Total	\$1.0

2005-07 Current Law Budget

No new or expanded activities are proposed in the Current Law Budget.

Expenditure Trends
Transportation Economic Partnerships
 (dollars in millions)



Local Programs

2003-05 Budget

Local Programs is responsible for administration of state and federal funds that support city and county transportation systems. Under WSDOT's stewardship agreement with the Federal Highway Administration (FHWA), Local Programs serves as the program manager for all federal aid funds that are used locally to build and improve transportation systems of cities, counties, ports, tribal governments, transit agencies, and metropolitan and regional planning organizations statewide.

The budget includes funding to maintain the 2001-03 level of federal oversight as well as educational and technical engineering support to local agencies. Funding is also provided for management of the non-motorized portion of the highway system plan. Additionally, this program provides financial assistance to Wahkiakum County for a portion of the operating and maintenance costs of the Puget Island Ferry.

As a measure of the program efficiencies, operating expenses as a percentage of capital expenses have declined from approximately 3.2 percent to approximately 2.5 percent over the last two biennia. The program attributes this operational efficiency to office restructuring to better serve its customers.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Local Programs	\$9.7 M	\$9.5 M	\$50.0 M

*Does not include \$0.3M in nonappropriated funding.

2005-07 Current Law Budget – dollars in millions

Carry-Forward Level	\$9.3
Program Structure Changes	0.2
Total	\$9.5

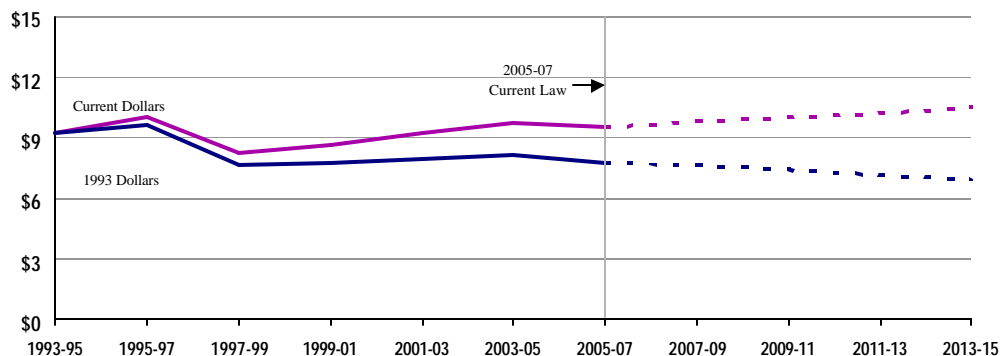
2005-07 Current Law Budget

No new or expanded activities are proposed in the Current Law Budget.

Expenditure Trends

Local Programs

(dollars in millions)



Facilities Maintenance & Operations

2003-05 Budget

Facilities Maintenance and Operations includes management of department buildings and other capital facilities, providing preventive and corrective maintenance of 700 buildings statewide, including 133 separate maintenance facilities and the six regional headquarters complexes. This includes renovation projects such as roof replacements to maintain facilities in good working condition, and site environmental cleanups and other code compliance requirements. The budget provides additional funding for fixed cost increases. Funding was reduced for salaries, benefits, and other operating costs in the expectation that administrative efficiencies can be achieved. The 2004 Supplemental Budget reduces funding for savings realized from vacant positions through December 2003.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Facilities Maintenance & Operations	\$31.1 M	\$33.2 M	\$173.1 M

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$31.2
Palermo Well Field	0.5
Utilities, Janitorial, and Contracted Maintenance Increases.	0.8
Data Center HVAC Replacement	0.3
Program Structure Changes	0.4
Total	\$33.2

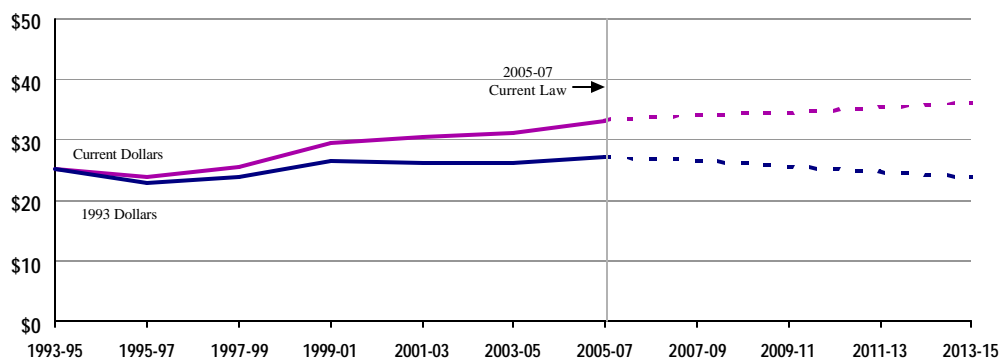
2005-07 Current Law Budget

To maintain the current level of service, funding is requested for increases in the costs of facilities utilities, janitorial, and contracted maintenance services. Additional funding is included to pursue legal resolution with the Environmental Protection Agency (EPA) for the department's share of mitigation and cleanup costs related to the City of Tumwater's Palermo Well field, and to replace the Data Center's heating, ventilation, and air conditioning system (HVAC). Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Facilities Maintenance & Operations

(dollars in millions)



Program Delivery Management & Support

2003-05 Budget

Program Delivery Management and Support is a new program for the 2003-05 biennium. It was created by the program structure change to consolidate headquarter and regional management support for highway construction and maintenance program delivery activities. This transfer included funding for the department environmental related responsibilities. Funding is provided to support local agency representation on the Transportation Permit Efficiency and Accountability Committee (TPEAC). Funding and staffing levels are reduced for expected efficiency improvements for activities associated with management of the highway construction program, as well as administration and oversight of maintenance and operations programs.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Program Delivery Management & Support	\$49.6 M	\$48.4 M	\$253.0 M

*Does not include \$0.9M in unanticipated receipts.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$50.4
TPEAC Reduction	(1.6)
Increased Charges from Other Agencies (\$3K)	0.0
Program Structure Changes	(0.4)
Total	\$48.4

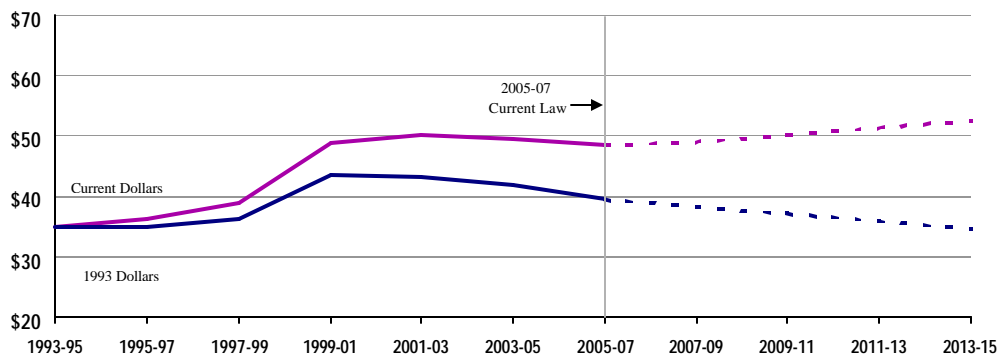
2005-07 Current Law Budget

The Current Law Budget proposes to reduce funding for TPEAC to comply with Chapter 8, Laws of 2003 (ESB 5279) that requires the committee to sunset March 31, 2006. The department will continue to provide support and maintenance for several ongoing activities that result from the TPEAC initiative. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Program Delivery Management & Support

(dollars in millions)



Transportation Management & Support

2003-05 Budget

The Transportation Management and Support program consolidates agency-wide executive management and support service functions. The executive management and policy functions of the agency include executive administration, audit, equal opportunity, communications, government liaison, and the Ombudsman's Office. Also included are resource planning (budget and financial planning), accounting, risk management, human resources, and administrative services.

The budget includes funding to implement the Transportation Efficiency Act of 2003 (SSB 5248) that requires the following:

- The department to develop and implement a financial incentive program and to establish a human resources skills bank of transportation professionals.
- All municipal corporations that own or operate an urban public transportation system to submit a maintenance management plan for certification by the Commission.
- Cities and towns to provide the Commission with preservation rating information.

Communications and Internet investments are included to ensure accountability to the public and will be funded by reducing lower priority business and administrative functions. Staffing and other administrative costs have been reduced with the expectation that the department will achieve additional administrative efficiencies. The 2004 Supplemental Budget reduces funding for savings realized from vacant positions through December 2003.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Transportation Management & Support	\$27.4 M	\$26.9 M	\$140.9 M

*Does not include \$0.2M in nonappropriated funding.

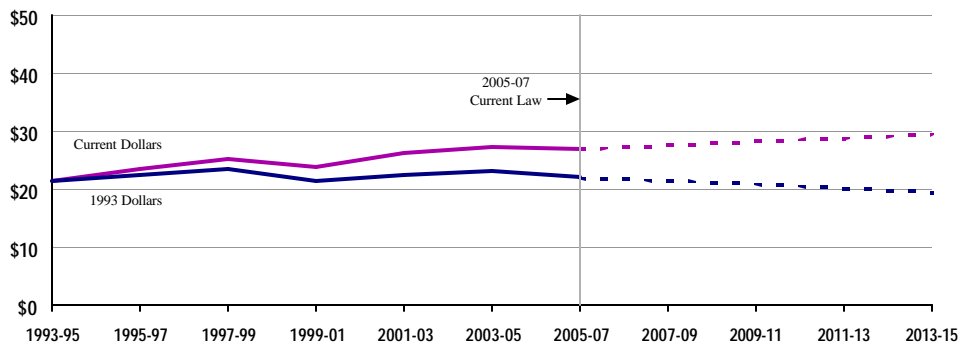
2005-07 Current Law Budget – dollars in millions

Carry-Forward Level	\$27.8
Increased Charges from Other Agencies	0.2
Program Structure Changes	(1.1)
Total	\$26.9

2005-07 Current Law Budget

The Current Law Budget includes funding for increased charges from the Office of Financial Management. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends
Transportation Management & Support
(dollars in millions)



Information Technology

2003-05 Budget

Information Technology was established as a separate program in the 2003-05 biennium. The budget includes funding for a feasibility study to develop a long-term modernization and integration strategy for ten critical business systems and for network infrastructure replacement and upgrades. The department is required to report on the proposed application modernization plan to the transportation committees by June 30, 2004.

The original enacted budget provides funding for the labor collection system, Automated Operating Support System, Point of Sale System, new telephone systems, networks, and workstation support to adequately maintain Ferries information technology. By December 1st of each year, the status of implementing and completing the regional fare coordination system (smart card) shall be provided to the legislative transportation committees. The funding for implementation of the project delivery management system is consolidated and transferred from the Preservation program.

The budget requires the department to report to the legislative committees by December 1, 2004, on the survey conducted by the Department of Information Services that identifies possible opportunities and benefits associated with siting and use of technology and wireless facilities located on state right of way authorized by RCW 47.60.140.

The 2004 Supplemental Budget provides funding for five Information Technology positions and equipment maintenance and lifecycle costs for the new security video surveillance equipment for Ferries. The budget eliminates funding for the following projects: Time Collection Automation System, Environmental Benefit Cost Assessment System, Environmental Permit and Compliance System, and Critical Application Assessment. Funding for ongoing smart card costs is decreased to reflect the revised implementation schedule for the regional fare collection project. Funding is also reduced for savings realized from vacant positions through December 2003.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Information Technology	\$68.9 M	\$67.1 M	\$351.2 M

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$64.9
Public Information Systems Upgrade	1.6
Mandatory Information Technology Expenditures	0.7
Critical Computer Applications Assessment	0.7
Infrastructure Investment	0.5
Records Management Imaging System	0.2
Project Scoping & Development Data Portal	0.1
Tools to Manage Project Delivery Fund Source Shift	0.0
Ferries Environmental Program (\$9K)	0.0
Eagle Harbor Hydraulic System Support (\$37K)	0.0
Increased Charges from Other Agencies (\$1K)	0.0
Program Structure Changes	(1.6)
Total	\$67.1

2005-07 Current Law Budget

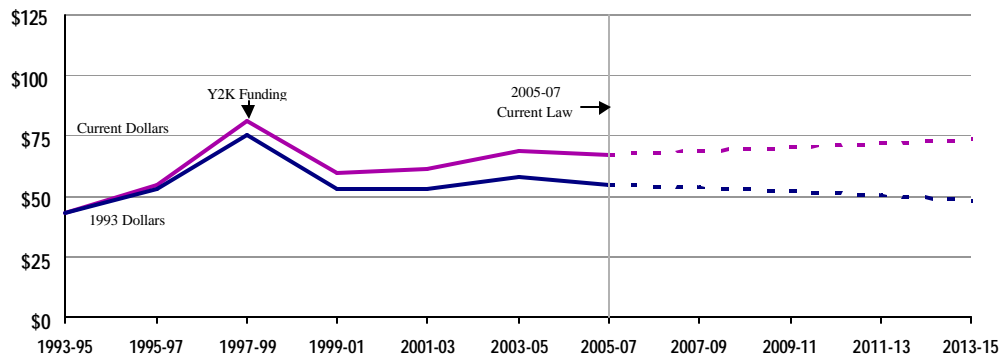
The 2005-07 Current Law Budget includes a request for the purchase and cyclical replacement of servers and key network components to ensure back-up and continued operations in case of failure and to install a disaster recovery site for the department client server environment. Funding is also requested for increased Department of Information Services (DIS) Internet access fees, a 25 percent increase in core engineering software maintenance fees, and additional software standard desktop license fees. Funding is included to develop a long-term modernization and integration strategy for aging, mission critical project management, program management, and financial computer systems.

The request includes continuing the 2003-05 funding level to purchase computer infrastructure replacement equipment. Funding is also included for an electronic image filing system to access statewide technical drawings of current highway infrastructure and details of the associated right-of-way property to support project planning, design, and development. Funding is provided to include access to environmental information in the current Geographic Information System that supports highway construction project planning, scoping, and development. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Information Technology

(dollars in millions)



Transportation Planning, Data, & Research

2003-05 Budget

Planning activities include developing the Washington Transportation Plan; performance reporting through the Gray Notebook; working with local jurisdictions on growth management and other issues; and administering pass through planning grants for metropolitan planning organizations and regional transportation planning organizations. This budget funds planning work at headquarters, in the six WSDOT regions, and at the Urban Planning Office in Seattle. Data activities include the collection and analysis of information about roadway characteristics and conditions, traffic volumes, vehicle speeds, and traffic collisions, as well as mapping and Geographic Information System services. Research activities support department programs in the areas of construction and materials, traffic management, environment, design and safety, bridges and structures, security, maintenance, and multimodal transportation. Much of the activity in this program is supported with dedicated federal State Planning and Research (SPR) funding.

The budget includes one-time funding for the following:

- Assistance with the costs of the Regional Transportation Investment District (RTID) election and project oversight.
- External review of RTID project cost estimates in order to provide the best available estimate of cost.
- Study of congestion relief solutions for Puget Sound, Spokane, and Vancouver.

The 2004 Supplemental Budget provides funding for the development of a database to track and monitor environmentally sensitive areas. Funding is reduced for savings realized from vacant positions through December 2003.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Transportation Planning, Data, & Research	\$47.9 M	\$40.0 M	\$205.4 M

*Does not include \$12.4M in nonappropriated funding and \$2.4M in unanticipated receipts.

2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$37.6
Program Structure Changes	2.3
Total	\$40.0

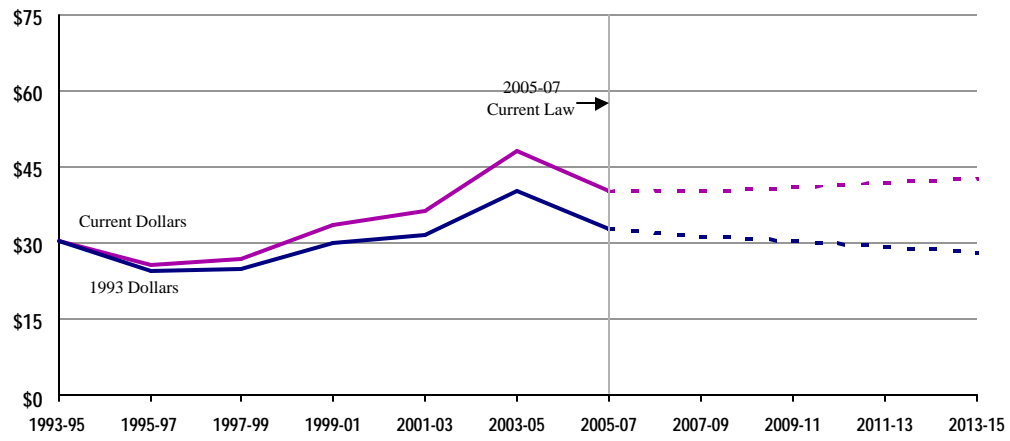
2005-07 Current Law Budget

No new or expanded activities are proposed in the Current Law Budget. Program structure changes are proposed to align the budget with management responsibility and organizational reporting structure.

Expenditure Trends

Transportation Planning, Data, & Research

(dollars in millions)



Charges from Other Agencies

2003-05 Budget

Charges from Other Agencies includes funding for the share of statewide general overhead activities allocated to the department. This is for the Office of the State Auditor, the Department of Personnel, the Department of General Administration, the Secretary of State, and the Office of Minority and Women's Business Enterprises. The other component (about \$50.8M) is the department contribution to the state self-insurance program. There was a large increase for the 2003-05 biennium because the highway system historical loss experience was driven significantly upward by a number of lawsuits with extremely high liabilities. Expanded risk management will be in place to control future highway premiums and marine liability reimbursements.

The 2003-05 budget provides funding for the charges from other agencies at the levels recommended by the governor. Funding is not provided for the new charges by Office of Financial Management for its services and collective bargaining and by the Office of Minority and Women's Business Enterprises.

The 2004 Supplemental Budget includes savings for self-insurance premiums projected in the same manner as the General Fund - State reduction included in the 2003-05 enacted budget. Funding is reduced to reflect risk management fees paid through the Transportation Equipment (OTEF) Fund for vehicle claim investigations.

The budgets for Office of State Auditor, Personnel Services, Office of Minority and Women's Business Enterprises (OMWBE), and Archives and Records Management were finalized after the 2003-05 transportation budget was passed by the Legislature. The 2004 Supplemental Budget modifies funding to reflect the decisions made in the omnibus budget that resulted in changes in the charges from these agencies.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Charges from Other Agencies	\$54.7 M	\$46.0 M	\$240.5 M

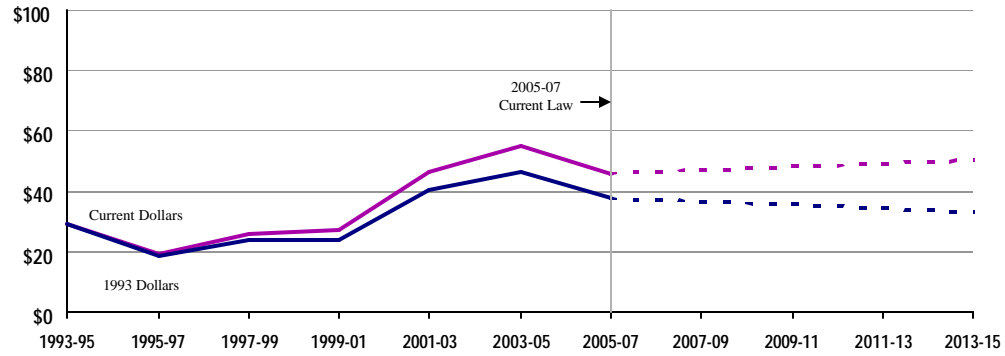
2005-07 Current Law Budget – dollars in millions

<i>Carry-Forward Level</i>	\$54.7
Increased Charges from Other Agencies	1.2
Self Insurance Liability Premium	(10.0)
Total	\$46.0

2005-07 Current Law Budget

The Current Law Budget includes funding for increased charges from the Department of General Administration, Department of Personnel, and the Secretary of State (Archives). There is a reduction in the self insurance liability premium due to revisions in projected funding requirements.

Expenditure Trends
Charges from Other Agencies
(dollars in millions)



Capital Program Detail

Capital Programs Overview

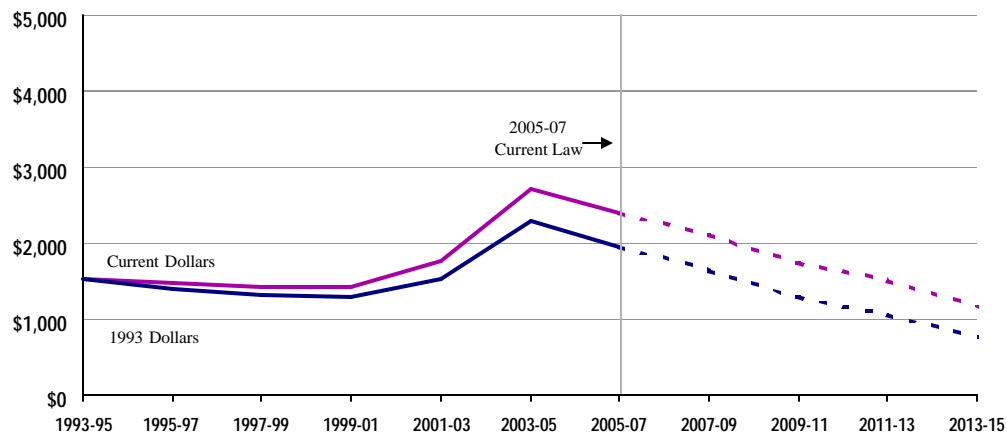
The 2005-07 Department of Transportation Current Law Capital Budget focuses on project and program delivery. It continues work on the ten-year transportation investment plan that was established and funded by the Legislature in 2003. Major elements of the Current Law Budget include:

- Completion of work in progress on Highway Construction projects initiated in the 2003-05 biennium and additional projects from the Legislative approved ten-year project list
- Funding to preserve existing ferry terminals and vessels, continue replacement of four auto-passenger ferries built in 1927, and make multimodal terminal improvements at Anacortes and Mukilteo.
- Replacement of three major region facilities financed through the Certificate of Participation debt-financing program administered by the State Treasurer.
- Projects that improve traffic flow and monitor compliance with truck weight limits.
- Track and infrastructure improvements between Vancouver and Bellingham.
- Completion of the fiscal year 2004 freight mobility projects, including the D Street Grade Separation project.

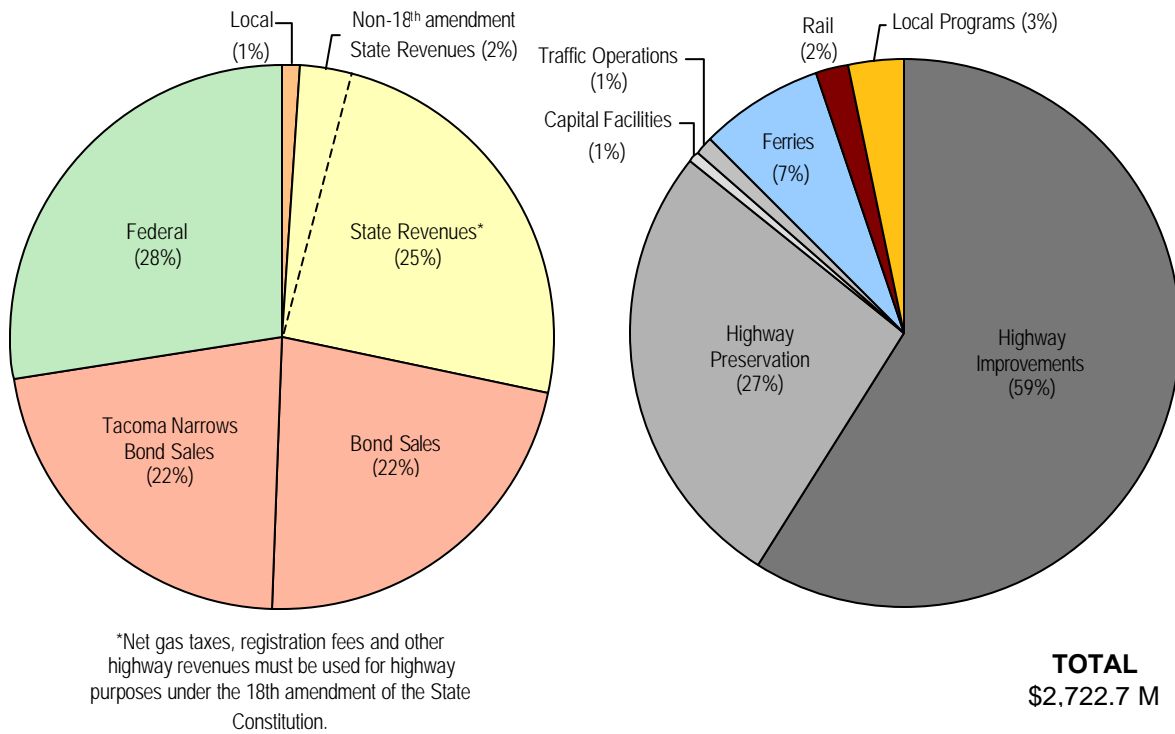
Expenditure Trends

Capital Programs

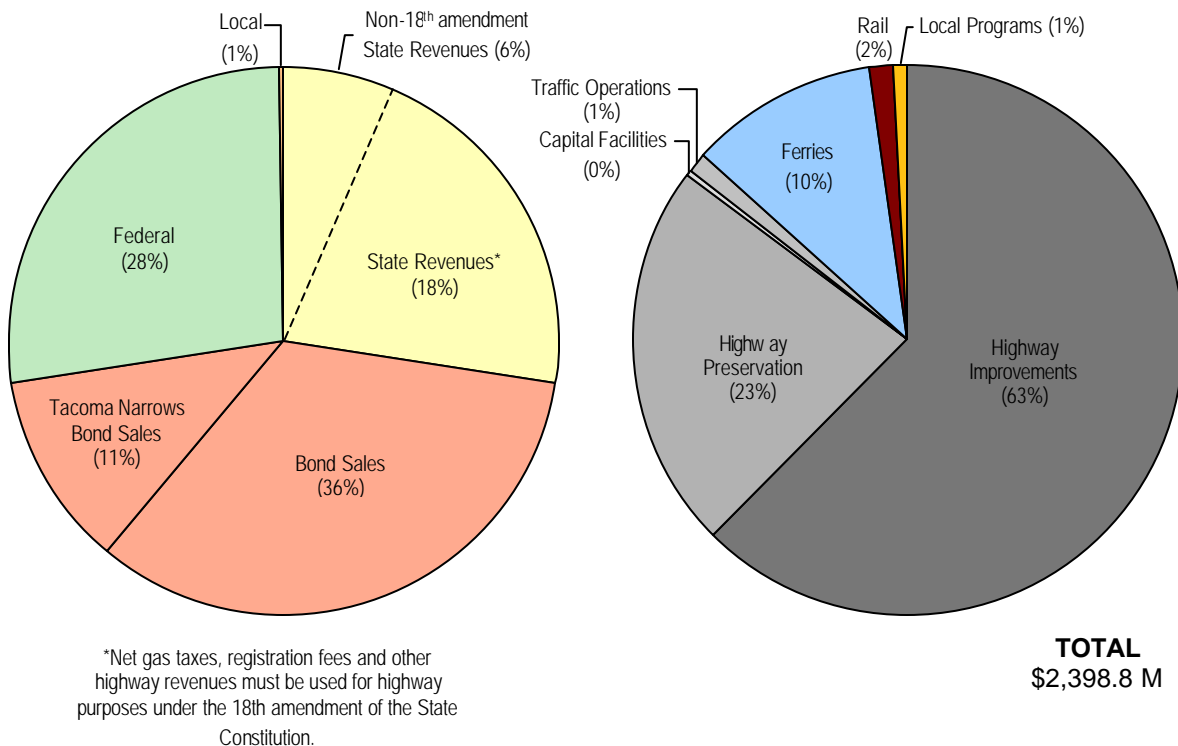
(dollars in millions)



2003-05 Enacted Capital Fund Sources & Uses



2005-07 Current Law Capital Fund Sources & Uses



Capital Budget

Dollars in Millions

	2003-05 Budget	2005-07 Current Law Proposed Budget	2005-15 Plan
Highways			
Highway Construction			
Highway Improvements (Pre-Existing Funds)	\$441.1	\$301.9	\$1,093.8
Highway Improvements (2003 Transportation Funding Package)	558.5	922.2	2,648.8
Tacoma Narrows Bridge	604.0	278.7	278.7
Total Highway Improvements	\$1,603.5	\$1,502.8	\$4,021.3
Highway Preservation (Pre-Existing Funds)	\$475.5	\$375.0	\$2,606.5
Highway Preservation (2003 Transportation Funding Package)	2.0	10.3	185.1
Hood Canal (Pre-Existing Funds)	254.3	175.6	175.6
Total Highway Preservation	\$731.8	\$560.9	\$2,967.2
Total Highway Construction	\$2,335.3	\$2,063.6	\$69,885.2
Capital Facilities	\$17.2	\$7.7	\$51.8
Traffic Operations	29.2	27.1	138.1
<i>Highways Total</i>	<i>\$2,381.7</i>	<i>\$2,098.4</i>	<i>\$7,178.4</i>
Ferries			
Ferries Construction (Pre-Existing Funds)	\$180.1	\$199.8	\$1,207.2
Ferries Construction (2003 Transportation Funding Package)	17.5	42.7	284.5
<i>Ferries Construction</i>	<i>\$197.6</i>	<i>\$242.6</i>	<i>\$1,491.7</i>
Rail			
<i>Rail</i>	<i>\$56.5</i>	<i>\$39.4</i>	<i>\$202.1</i>
Local Programs			
<i>Local Programs</i>	<i>\$87.0</i>	<i>\$18.4</i>	<i>\$25.7</i>
Total	\$2,722.7	\$2,398.8	\$8,897.9

Capital Facilities

2003-05 Budget

Capital Facilities includes capital improvements to the department's buildings and related sites. The Legislative 2003 Transportation Project List, referenced in the enacted transportation budget bill, lists the Capital Facilities projects and designated funding. The budget includes funding to complete work in progress on the Wenatchee and Pomeroy maintenance facilities, enhance radio communications, complete minor region projects, and make the final debt service payment on the Southwest regional office. Funding is also included for site selection and a purchase option for the new Olympic Region Support Complex (Thurston County Light Industrial) and site acquisition for the Seattle maintenance facility.

On September 2, 2003, the department submitted a report to the transportation committees describing its adopted design standards for maintenance facilities and the stakeholder involvement process undertaken to develop them.

The 2004 Supplemental Budget reduces funding for savings realized from vacant positions through December 2003.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Capital Facilities	\$17.2 M	\$7.7 M	\$51.8 M

*Does not include \$1.7M in nonappropriated funding.

2005-07 Proposed Budget – dollars in millions

Total 2005-07 Proposed Budget	\$7.7
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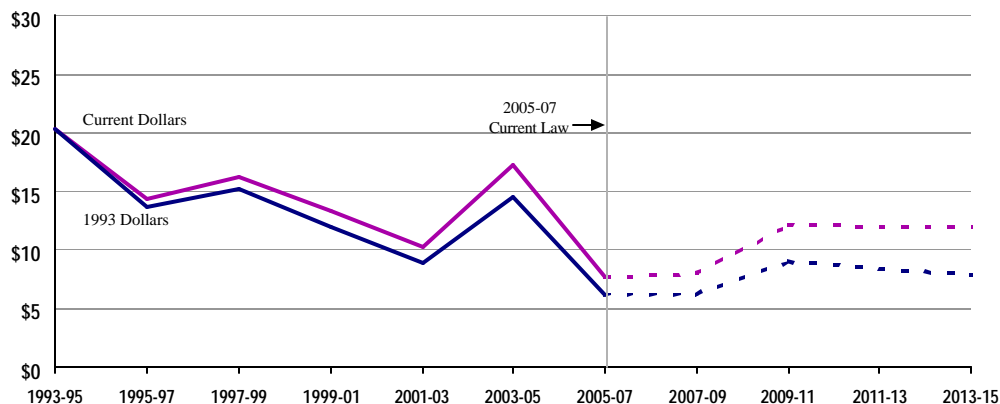
2005-07 Current Law Budget

Funding is included to finance the Ephrata area maintenance facility, Vancouver Light Industrial, and Olympic Region Headquarters projects through the Certificate of Participation debt-financing program administered by the state. Funding is also provided to construct the Spokane Street maintenance facility.

Expenditure Trends

Capital Facilities

(dollars in millions)



Traffic Operations - Capital

2003-05 Budget

Traffic Operations' projects improve commercial vehicle operations, traveler information, and safety and congestion relief by applying advanced technology to transportation. Current major projects include traveler information system investments; commercial vehicle information systems and network (CVISN); and other commercial vehicle operations investments (US/Canada Border Crossing efficiencies). The Legislative 2003 Transportation Project List, referenced in the enacted transportation budget bill, lists the Traffic Operations projects and designated funding. The department will complete 22 ongoing projects and begin 15 to 20 new projects that improve traffic flow. Projects include traffic and weather information cameras for motorist and media use, electronic freeway entrance equipment to enable traffic signal timing to be automatic in response to traffic flow, and traveler information systems and electronic signing for motorist traffic advisory. The budget also provides funding for completion of the commercial vehicle information system and networks and weigh-in-motion projects at three sites to enhance freight mobility.

	2003-05 Budget	2005-07 Current Law Budget	2005-15 Plan
Traffic Operations	\$29.2 M	\$27.1 M	\$138.1 M

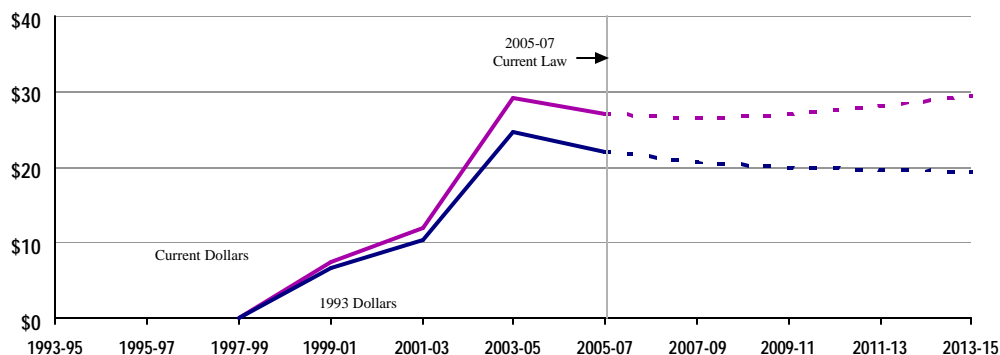
2005-07 Proposed Budget — dollars in millions

Total 2005-07 Proposed Budget	\$27.1
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2005-07 Current Law Budget

Funding is provided for Intelligent Transportation (ITS) projects to improve commercial vehicle operations, traveler information, and improved safety and congestion relief. The budget includes funding to construct and install the static scales and weigh station building at Prosser; install weigh in motion for Commercial Vehicle Information Systems and Networks (CVISN) at Cle Elum and Prosser; replace the existing weigh-in-motion at Bow Hill; and install remote automated vehicle identification and cameras for CVISN at Cle Elum for eastbound trucks.

Expenditure Trends
Traffic Operations - Capital
(dollars in millions)



Ferries Construction

2003-05 Budget

The department makes capital investments in the ferry system through the Ferries Construction Program. The program includes preserving existing and building new ferry terminals and vessels. Ferries infrastructure includes 20 terminals, 28 vessels, and the Eagle Harbor Maintenance Facility. Capital funds are allocated to three major activity categories: terminals, vessels, and emergency repairs.

Preservation investments protect terminals and vessels by keeping them in safe, sound, efficient, and customer-oriented operating condition. Typical preservation projects include emergency repairs; compliance with regulations intended to protect people and the environment; replacement of terminal and vessel systems when they reach the end of their life cycles; and quality control that promotes program efficiency and effectiveness, cost savings and avoidance, and better service. Improvement investments increase the capacity of the ferry system to move people and vehicles, provide ferry riders with access to alternative modes of travel, and generate revenue to support capital investments and service delivery.

The 2003-05 budget includes funding to preserve existing ferry terminals and vessels. Major preservation projects will be completed for the Friday Harbor and Shaw terminals and the MV Spokane and Walla Walla. The MV Chelan will be modified to meet Safety Of Life At Sea (SOLAS) regulations. Planning and design will take place for construction of four replacement auto-passenger ferries and multimodal terminal improvements at Anacortes, Edmonds and Mukilteo. The Legislative 2003 Transportation Project List, referenced in the enacted 2003-05 Transportation Budget, lists the projects and designated funding.

The 2004 Supplemental Budget increases federal and local funds by \$35.7 million and decreases state and bond funds by \$20.7 million. These additional revenues are part of the new revenue initiative for Ferries. Terminal preservation decreases by \$1.2 million and vessel preservation increases by \$9.1 million. Emergency repairs remain unchanged. Terminal improvements increase by \$7.1 million. Funding is provided for a terminal analysis to determine the viability of the existing Keystone harbor for a ferry terminal. The budget requires the department to report quarterly on project delivery and expenditures against the Legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Ferries Construction	\$197.6 M	\$242.6 M	\$1,491.7 M

2005-07 Proposed Budget — dollars in millions

Pre-Existing Funds	\$199.8
2003 Transportation Funding Package	42.7
Total 2005-07 Proposed Budget	\$242.6

2005-07 Current Law Budget

Terminal Preservation (\$70.0 M)

Ferries will start reconstruction of the Eagle Harbor Maintenance facility (\$15.4 M); complete replacement of a trestle section and slip structures and start design of a replacement passenger overhead loading at the Bainbridge Island terminal (\$8.5 M); replace dolphins at the Anacortes and Lopez terminals and retrofit the transfer span at the Tahlequah terminal using 2003 Transportation Funding Package catch-up preservations funds (\$7.1 M); make repairs to the trestles at the Fauntleroy, Southworth, and Vashon terminals (\$2.5 M); and start design for the replacement of the north trestle and terminal building at the Seattle terminal (\$2 M). Funds are reserved for the Keystone and Port Townsend terminals pending direction from the 2005 Legislature (\$14.6 M). The balance of funds will be used for minor preservation projects at other terminals and system-wide activities, such as regulatory compliance, installation of physical security infrastructure, modifications of movable bridge structures, etc. (\$19.9M).

Vessel Preservation (\$116.1 M)

Ferries will start construction of the first of four 130-car ferries that will replace aging vessels in the fleet (\$68.2 M); make major preservation investments in Issaquah Class vessels (\$18.4 M) and Super Class vessels (\$13.7 M); and make minor preservation investments in the remainder of the fleet (\$7.3 M). These preservation investments include replacement or refurbishment of structural preservation systems, interior spaces, steel structures, piping, propulsion systems, major mechanical systems and life saving equipment; and quality controls for program efficiency and effectiveness, cost saving and avoidance, and customer service delivery. System-wide activities include replacement of communications and navigation equipment, installation of physical security infrastructure, modifications to improve accessibility, compliance with regulatory mandates, etc. (\$8.5 M).

Emergency Repairs (\$5.6 M)

Emergency repairs are capital preservation investments to address damage to a terminal or vessel that is not the result of deterioration or wear that could be reasonably anticipated. Repairs are expedited to put the damaged facility back into service as quickly as possible. For example, a ferry slip is immediately fixed after a vessel makes a hard landing, so the terminal can resume operations.

Terminal Improvements (\$50.8 M)

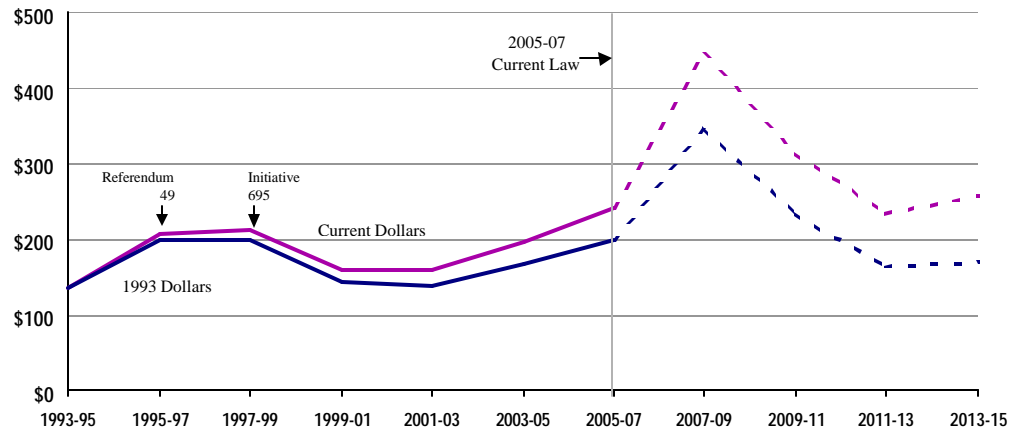
Ferries will relocate and replace the Anacortes terminal tie-up slips with a versatile drive-on tie-up slip, regular tie-up slip and access trestle, complete design and start construction of phase one work on the Anacortes terminal building and start design of site circulation/grade separation improvements for the Anacortes shore-side layout (\$27.4 M); complete the design report and an environmental impact statement for the Mukilteo multimodal terminal, and start detailed design work (\$10.2 M); complete design and construction of the trestle expansion at the Bainbridge Island terminal (\$8.6 million); start design for the expansion of the south trestle and retail space in the new terminal building at the Seattle terminal (\$2.5 M); develop a master plan for the Friday Harbor terminal, acquire property and conduct site planning at the Kingston terminal, acquire property at the Tahlequah terminal, and acquire the park-and-ride lot at the Vashon terminal (\$2.1 M).

Ferries Construction (continued)

Expenditure Trends

Ferries Construction

(dollars in millions)



Rail - Capital

2003-05 Budget

State investment in the capital components of the passenger rail program includes track improvements and acquisition of passenger train equipment. This program also provides capital grants for light density freight rail. The Legislative 2003 Transportation Project List, referenced in the enacted transportation budget bill, lists the Rail projects and designated funding.

Freight Rail - Funding is provided for the Palouse River and Coulee City railroad acquisition, the Tacoma Morton line repairs, and a transload facility in Eastern Washington to improve the movement of goods throughout the state and to the ports, and to reduce truck traffic on the highways.

The budget also includes \$0.5 million expenditure authority for the Washington Fruit/Produce Express Lease Account. In the event refrigerated railcars become available, this account would allow the WSDOT to deposit funds and make lease payments for these railcars.

Passenger Rail - The budget provides funding from the 2003 Transportation Funding Package for track and infrastructure improvements between Seattle and Bellingham. There are also reappropriations of \$8.8 million of federal funds for the King Street Station project and \$3.1 million to complete the Ruston Way crossover project.

The 2004 Supplemental Budget realigned program funding to reflect updated project costs and other corrections that support delivery of the projects outlined in the Legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004. It also provides funding for a new rail spur in Lewis County.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Rail	\$56.5 M	\$39.4 M	\$202.1 M

*Does not include \$2.5M in unanticipated receipts.

2005-07 Proposed Budget — dollars in millions

Total 2005-07 Proposed Budget	\$39.4
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2005-07 Current Law Budget

The 2005-07 Rail Capital Projects are consistent with the legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004, and are detailed in the Capital Improvement and Preservation Plan (CIPP).

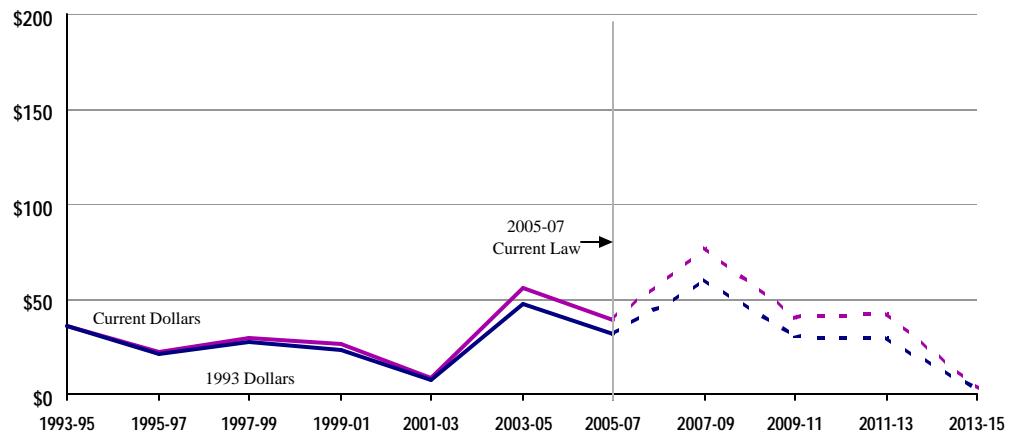
Freight Rail - Funding is provided for emergent freight rail assistance projects to improve the movement of goods throughout the state and to the ports.

Passenger Rail The budget provides funding for track and infrastructure improvements between Vancouver, Washington, and Bellingham. The 2005-07 passenger rail investment is adjusted to reflect updated costs and other corrections that support delivery of projects that must be completed to add a fifth Seattle/Portland roundtrip, including the addition of the High Speed Crossovers—Winlock Project.

Expenditure Trends

Rail - Capital

(dollars in millions)



Local Programs - Capital

2003-05 Budget

Local Programs administers the local agency federal aid program that provides approximately \$350 million in financial assistance to cities, counties, ports, tribal governments, transit systems, and metropolitan and regional planning organizations statewide for approximately 1,500 local transportation improvement projects.

The 2003-05 Transportation Budget included reappropriated funding for Local Programs to administer projects in the Traffic Safety Near Schools Program, the Small City Pavement Preservation Program, the City/County Corridor Congestion Relief Program, and local agency freight projects. In addition, Local Programs is managing these high visibility projects for local agencies:

- Columbia River Dredging—an ongoing combined effort with the State of Oregon to provide for deepening of the river channel in order to accommodate deep draft ships.
- Port of Everett Rail Barge Facility—funded to accommodate very large oversized cargo to complement the Port of Everett’s existing deep-water marine terminal.
- Columbia Center Boulevard Railroad Crossing—a local freight project (Legislative 2003 Transportation Project List).

For grants and other award programs, the budget requires the department to closely monitor progress of projects to ensure that funds are being effectively used. This includes semiannual reviews to determine if projects are making satisfactory progress. The budget directs the department to close out contracts promptly and combine unused funds with funds from any terminated contracts to fund new grant awards to qualified projects. The department is required to submit a report on those projects receiving fund transfers to the transportation committees by December 1, 2004.

The 2004 Supplemental Budget provided \$13.9 million for local freight projects recommended by the Freight Mobility Strategic Investment Board. They include \$13.9 million for additional local freight projects, including SR 397 Ainsworth Avenue Grade Crossing, Colville Alternate Truck Route, S. 228th Street Extension and Grade Separation, Duwamish ITS, Bigelow Gulch Road-Urban Boundary to Argonne Road, Granite Falls Alternate Route, Port of Kennewick/Piert Road, Pacific Highway E/Port of Tacoma Road to Alexander, and the Port of Kalama Grain Terminal Track Improvement project. The Supplemental Budget also added \$1.0 million in state funding for the Safe Routes to School Grant Program for pilot or demonstration projects to provide children with safe and healthy non-motorized alternatives for transportation to school. In addition, \$0.5 million was provided to leverage local and federal funds to complete engineering and permitting for the Skagit County flood control project.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Local Programs	\$87.0 M	\$18.4 M	\$25.7 M

*Includes \$17.7M for Columbia River dredging and \$15.5M for Everett rail barge facility funded in the Capital Budget and excludes \$324.2M in nonappropriated funding.

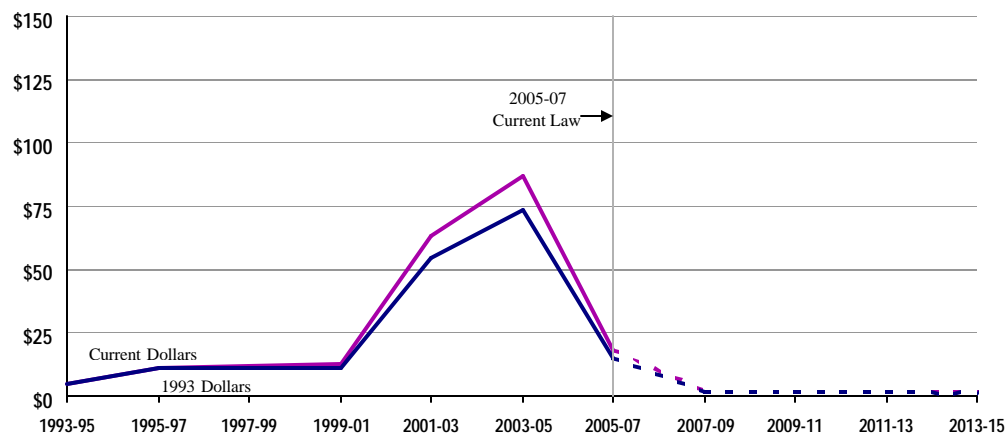
2005-07 Proposed Budget – dollars in millions

Total 2005-07 Proposed Budget	\$18.4
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2005-07 Current Law Budget

The budget for 2005-07 provides funding to complete the 2004 freight mobility projects, including the D Street Grade Separation project.

Expenditure Trends Local Programs - Capital (dollars in millions)



Highway Construction

Highway Improvements

Highway Improvements provides funding for projects that increase a highway's capacity to move more vehicles, correct highway safety deficiencies, improve the movement of freight and goods, and reduce environmental impacts resulting from highway construction projects.

Highway Preservation

Highway Preservation funding is provided to preserve the structural integrity of the state highway system. Projects for capital investment in the existing highway system include preservation or rehabilitation of roadway pavements, bridges, and other structures and facilities.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Improvements	\$999.5 M	\$1,224.1 M	\$3,742.6 M
Tacoma Narrows	\$604.0 M	\$278.7 M	\$278.7 M

*Does not include \$138.7M in nonappropriated funding.

	2003-05 Budget*	2005-07 Current Law Budget	2005-15 Plan
Preservation	\$477.5 M	\$385.3 M	\$2,791.6 M
Hood Canal	\$254.3 M	\$175.6 M	\$175.6 M

*Does not include \$7.5M in nonappropriated funding.

2005-07 Current Law Budget - dollars in millions

Pre-Existing	\$301.9
2003 Transportation Funding Package	922.2
Tacoma Narrows Bridge	278.7
Total	\$1,502.8

2005-07 Current Law Budget - dollars in millions

Pre-Existing	\$375.0
2003 Transportation Funding Package	10.3
Hood Canal Bridge	175.6
Total	\$560.9

2003-05 Budget

The budget begins a ten-year program to address some of the most critical needs of Washington's transportation system. Investment from the 2003 Transportation Funding Package is dedicated to the projects included in the ten-year plan developed by the Legislature. The Legislative 2003 Transportation Project List, referenced in the enacted transportation budget bill, lists the Highway Construction projects and designated funding.

The 2004 Supplemental Budget reaffirmed the 2003 legislative budget and formalized WSDOT's quarterly reporting on project and program delivery. The budget includes a majority of the department's recommended schedule advancements and minor technical corrections, plus an acceleration of the construction of projects associated with the 2010 Olympics, including constructing HOV lanes on I-5 at Everett and widening of SR539 from Tenmile Road to SR 546.

To provide greater flexibility for managing projects and funding, the 2004 Supplemental Budget allows the Transportation Commission, under certain conditions and limitations, to authorize a transfer of funding within the appropriation provided and between Improvement and Preservation projects listed in the Legislative 2003 Transportation Project List – New Law as transmitted to LEAP on March 11, 2004,

The 2004 Supplemental budget added \$30.5 million worth of capital projects funded from current law.

2005-07 Current Law Budget

2003 Transportation Funding Package - Improvement Program

The 2005-07 Current Law Budget implements the projects specified in the 2003 Transportation Funding Package and makes significant progress including starting construction of the following projects:

US 2 Pickle Farm Road/Gunn Road – Safety
I-5/52nd Ave W to SR 526 – Safety
I-5/SR 532 Northbound Interchange Ramps – Safety
I-5/South Bound Ramps at SR 11/Old Fairhaven Parkway
I-5/Bakerview Rd to Nooksack River Bridge – Safety
SR 9/108th Street NE (Lauck Road) – Safety
SR 9/Schloman Rd to 256th Street E – Safety
SR 9/252nd Street NE Vicinity – Safety
SR 9/268th Street Intersection – Safety
SR 20/Ducken Road to Rosario Road – Safety
SR 20 /Quiet Cove Road Vicinity to SR 20 Spur – Safety
SR 20/Fredonia to I-5 – Widening
I-90/Eastbound Ramps at SR 202 – Roundabout
SR 99/ S. 284th to S 272nd – HOV
SR 99/S. 138th St Vicinity to North of S 130th St – Safety
SR 167/Northbound Ramps at Ellingson Road – Safety
SR 202/244th Avenue NE Intersection – Safety
SR 202/Jct 292nd Ave NE – Safety
SR 202/Preston-Fall City Road and SR 203 – Safety
SR 516/208th and 209th Ave SE – Safety
SR 900/SE 78th Street Vicinity to I-90 Vicinity – Widening
I-90/Moses Lake Area – Bridge Clearance
I-5/ S 48th to Pacific – HOV
SR 410/214th Ave E to 234th – Widening
SR 4/Svenson’s Curve – Realignment
I-5/Chehalis River Flood Control
I-5/Rush Road to 13th Street – Widening
I-5/SR 502 Interchange – New Interchange
I-205/Mill Plain Exit (112th Connector)
US 12/Attalia Vicinity – Additional Lanes
I-405/West Valley Highway to Maple Valley Highway – Widening
Statewide Guard Rail Upgrade
Statewide Bridge Rail Upgrade

2003 Transportation Funding Package - Preservation Program

The 2005-07 Current Law Budget funds the completion of the Seattle I-5 Boeing Access Road to Northgate EIS and begins design of the concrete pavement rehabilitation project within this corridor.

Pre-existing Funds - Improvement Program

Pre-existing funds available for the Improvement Program decrease from \$441.1 million in the 2003-05 biennium to \$301.9 million in the 2005-07 Current Law Budget.

Highway Construction (continued)

The mobility program is limited to work in progress from the 2003-05 biennium with a small amount of funding available to start projects included in the Legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004. No funding is available for new projects to be added to the program. With all funds dedicated to work in progress and previously selected projects any cost increases on projects that are underway have impacted funding currently committed to projects included in the legislatively approved program. This budget proposal includes a bonding assumption of \$20 million to allow all currently selected projects to remain on schedule.

The safety program has similar issues to the mobility program, except there is some additional flexibility as the work in progress is approximately 65% of the funds available. The remaining funds are currently committed to support activities and planned new starts included in the Legislative 2003 Transportation Project List as transmitted to LEAP on March 11, 2004. Some projects included in the LEAP list were deferred to allow programming of the highest priority work statewide. Projects deferred from 2005-07 are planned to proceed later in the ten-year plan.

The safety program also includes a new strategy to reduce accidents on rural two lane highways by installing centerline rumble strips in selected corridors. Results from test sections show this to be a highly cost effective strategy for reducing centerline crossover accidents.

Pre-existing Funds - Preservation Program

Pre-existing funds available for the Preservation Program, excluding the Hood Canal Bridge, decrease from \$475.5 million in the 2003-05 biennium to \$375.0 million in the 2005-07 Current Law Budget.

With the limited funding available for the paving program, some currently planned paving projects will be deferred to the end of the 2005-07 biennium. This will allow the department to continue to implement lowest life cycle cost approaches in managing asphalt pavements and start construction on the highest priority paving projects. However, a portion of the asphalt pavement miles due for resurfacing in the 2005-07 biennium will be addressed in the 2007-09 biennium. The currently assumed funding level will allow the department to catch up on due and past due miles by the end of the 2007-09 biennium.

Funding for rehabilitation of concrete pavements is limited to completion of projects started in the 2003-05 biennium. The current assumed funding levels in the future biennia would allow a modest concrete rehabilitation program; however, not all concrete paving needs can be addressed.

Some currently planned projects in Bridge Preservation will need to be deferred to the end of the 2005-07 biennium or later in order to start construction on the highest priority bridge replacement, deck resurfacing, and painting projects, including design for replacement of the SR 21 Keller Ferry.

Delays on the SR 104 Hood Canal Bridge East Half Replacement project will cause additional costs. Although the total cost impact will not be known until construction work on the graving dock resumes, the current budget level is assumed to be inadequate to fund increased expenditures on this project. This budget proposal includes a bonding assumption of \$45 million to fund archeological mitigation costs associated with construction of the graving dock in Port Angeles and potential cost increases related to construction delays.

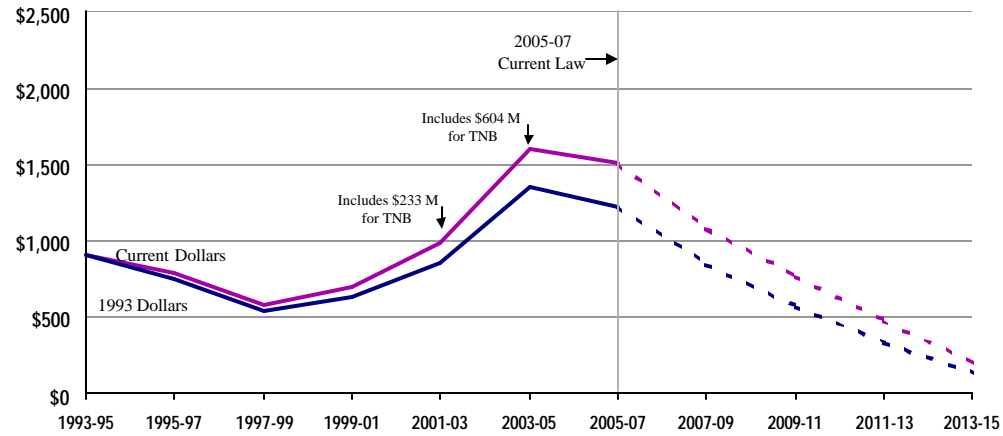
Minimal funding is available for preservation projects dealing with unstable slope and major electrical and drainage repair. Priority will be given to the highest risk locations and most pressing needs.

Early learning from development of the 2007-2026 Washington Transportation Plan has caused the department to reevaluate the current ten-year plan of investments in Highway Improvements and Preservation. This budget and ten-year plan includes reductions to the assumed funding levels for improvements in the 2007-09 through 2013-15 biennia with corresponding increases to highway preservation.

Expenditure Trends

Highway Improvements

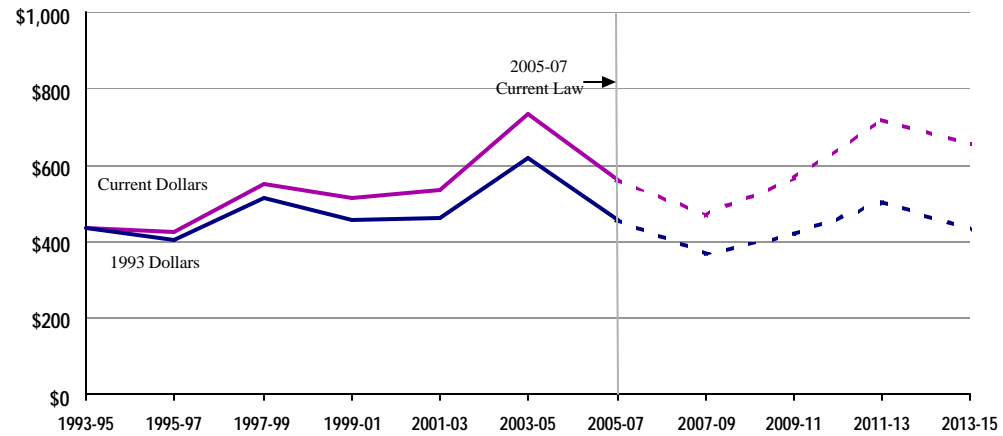
(dollars in millions)



Expenditure Trends

Highway Preservation

(dollars in millions)



Sources and Uses of Funds

Sources and Uses of Funds

This section describes the sources and uses of funds available to the Washington State Department of Transportation. Detailed information is provided in support of WSDOT's 2005-2007 budget proposal as well as projections supporting the ten-year operating and capital plan.

Sources of Funds

Transportation expenditures are funded from a variety of sources. State transportation taxes and fees, ferry fares, bond proceeds, local funds, and federal funds are all used to fund state transportation projects and programs. These sources of funds are available to be appropriated by the legislature to fund WSDOT's and other transportation agencies' budgets. Not all of the projected transportation revenue is available for spending. Bond sales are used to fund a significant number of capital projects built by WSDOT. This requires a portion of the state gas tax and other revenues to be committed to pay debt service on these long-term borrowings.

State Transportation Taxes, Fees, and Fares

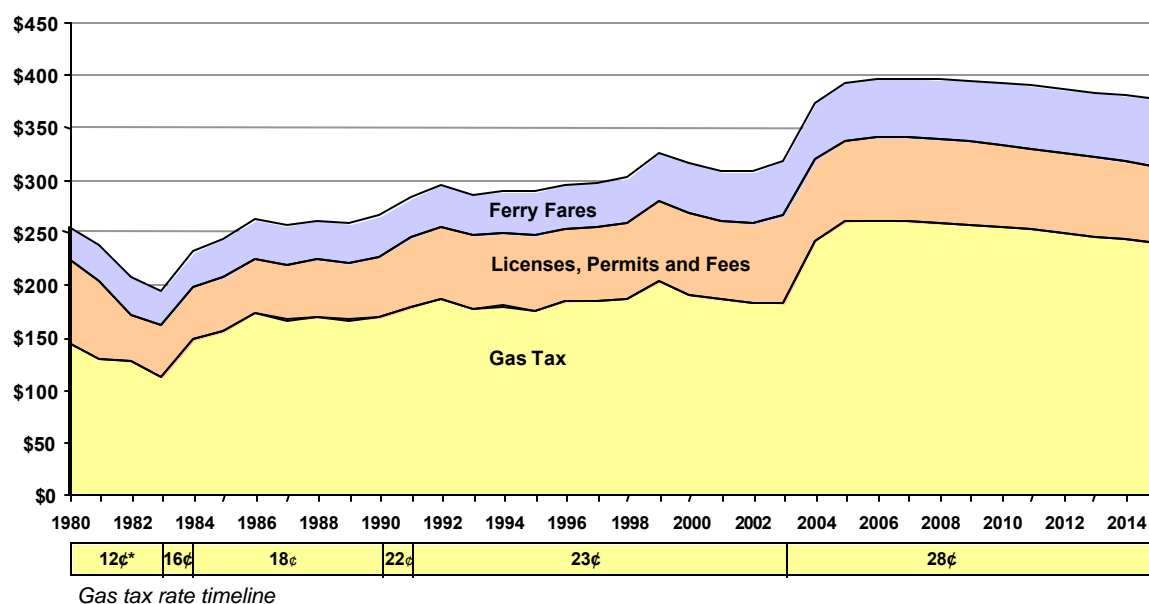
The major sources of state revenue supporting transportation expenditures, including debt service, are from gas taxes, licenses, permits, fees, and ferry fares. These sources of revenue are deposited into various state treasury accounts as directed by law. The legislature then appropriates these funds. Discussion of the major revenue sources will be described in more detail in the sections to follow.

The following chart portrays the history as well as a future look at the three current major revenue sources .

The Three Major Sources of Transportation Revenue • Historical and Projected

In 1980 Constant Dollars

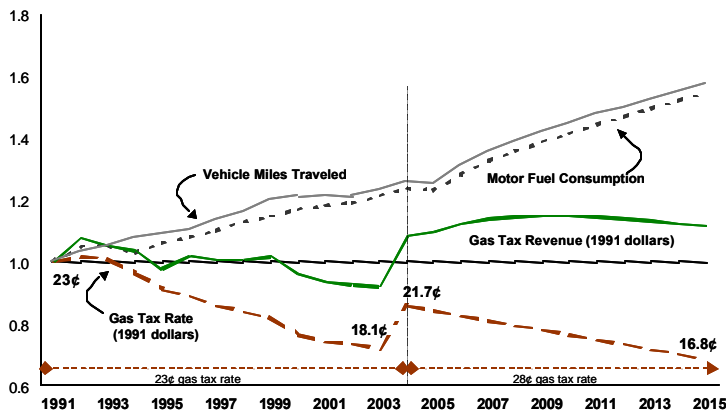
(Dollars in millions)



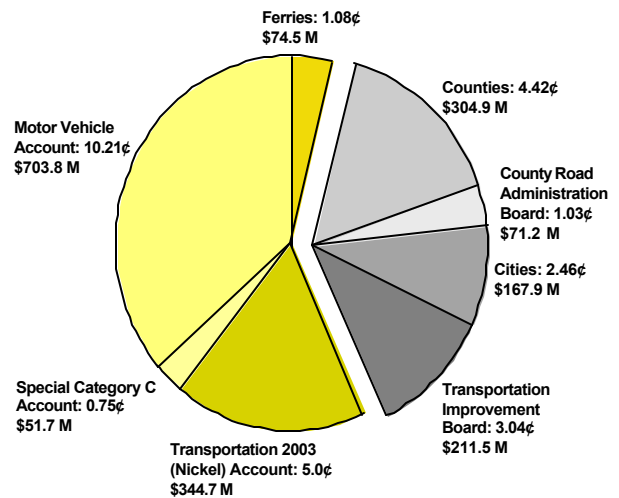
Gas Tax

The 2003 Legislature increased the gas tax rate by 5¢ (effective July 1, 2003) for a new tax rate of 28¢ per gallon. The 28¢ rate is expected to generate \$1,930 million between July 2005 and June 2007. As shown to the right in yellow, the WSDOT's budget is supported by about 17¢ of the total tax, less the amount needed to pay outstanding debt service on bond sales. The remaining portion (almost 11¢) goes to local governments for use on city streets and county roads. Regardless of who spends gas tax revenues, the 18th Amendment of the Washington State Constitution requires that this revenue be used for highway purposes. It should be noted that expenditures by the Washington State Ferries are considered highway expenditures, with about 4% of the direct distribution of gas tax paying for ferry operations and capital improvements.

In the period from 1991 (the implementation of the 23¢ tax rate) to 2003 (the change to the 28¢ tax rate), the purchasing power of total gas tax receipts has been eroded by inflation despite the growth in population and the vehicle miles traveled.



28¢ Gas Tax Revenue Distribution 2005-2007 • \$1,930 million



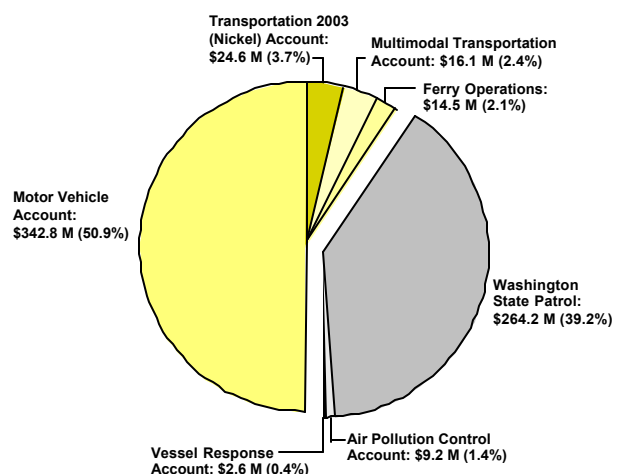
Even with the nickel increase, projected increase in vehicle miles traveled, and a correlating increase in motor fuel consumption, projected gas tax revenue purchasing power is expected to remain constant. However, the real value of the 28¢ gas tax rate in 2004 is equivalent to only 21.7¢ per gallon in 1991 dollars, which is lower than the 1991 rate of 23¢ per gallon. The chart to the left demonstrates the relationship of the variables and their effect on revenue.

Licenses, Permits, and Fees

Licenses, permits, and fees (LPF) are the second largest source of revenue for transportation. These funds come primarily from new and annual vehicle registration fees and license fees for trucks based on weight. Other fees such as vehicle inspection fees, title fees, and special permits are also included.

The 2003 Legislature made changes to various LPF. The gross weight fee for trucks was increased by 15% and a license plate number retention fee was added. In the 2005-2007 biennium, LPF are expected to generate approximately \$674 million. About 39% of these funds are distributed to the Washington State Patrol, with small distributions to the Air Pollution Control Account and the Vessel Response Account. Remaining funds go to accounts administered by WSDOT.

Distribution of Licenses, Permits, & Fees 2005-2007 • \$674 million



2003 Transportation Funding Package

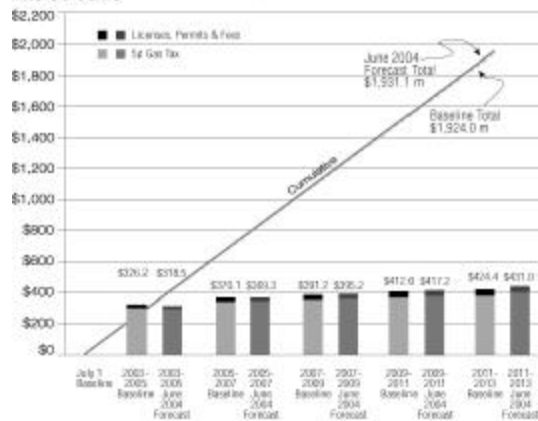
The 2003 Transportation Funding Package enacted by the legislature included tax and fee increases. The gas tax was increased by 5¢ per gallon and gross weight fees on trucks were raised by 15%. An additional sales tax on new and used vehicles of 0.3% and a license plate number retention fee were both established. These tax and fee increases were incorporated into the charts shown in the previous sections. Each quarter, WSDOT reports the progress of projects funded from these new sources in the *Beige Pages* of the *Gray Notebook*.

The revenues from the 5¢ gas tax and the gross weight fees on trucks are deposited into an account established by the legislature called the Transportation 2003 (Nickel) Account. The revenues from the 0.3% additional sales tax on vehicles and the license plate number retention fee are deposited into the Multimodal Transportation Account that was established several years ago.

To attain the legislature's expectation on program delivery from the 2003 Transportation Funding Package, careful monitoring is required of the revenue collections and projections as well as the amounts to be raised through bond sales to ensure that funds are available to meet program needs. The following charts track the actuals-to-date as well as projected revenues for these new funding sources over the next ten years, as forecasted in June 2004 by the Transportation Revenue Forecast Council. This forecast is compared to the legislature's assumed 'baseline' projections used in the budget-making process back in March 2003. Cumulative ten-year and individual biennial amounts are both shown.

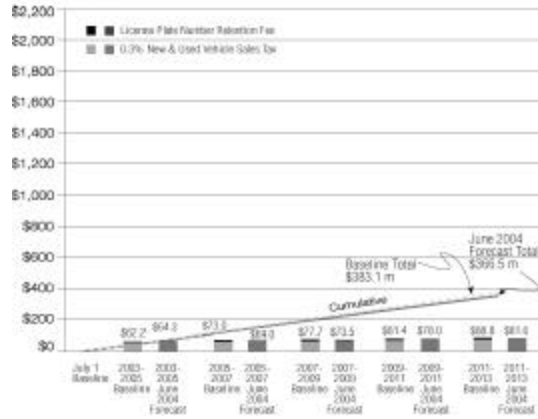
2003 Transportation (Nickel) Account Revenue Forecast

March 2003 Legislative Baseline Compared to June 2004 Transportation Revenue Forecast Council with 2004 Legislative Session Impacts
Millions of Dollars



New Sources - Multimodal Account Revenue Forecast

March 2003 Legislative Baseline Compared to June 2004 Transportation Revenue Forecast Council
Cumulative and Biennial Totals
Millions of Dollars



Bond Proceeds, Debt Service and Certificates of Participation

In the past, the legislature has periodically authorized motor vehicle fuel tax bonds to generate funds for capital investment in highways. The 2003 Transportation Funding Package contained two new bond authorizations: a gas tax authorization of \$2.6 billion and a state general obligation (GO) authorization of \$349.5 million. The proceeds from the new gas tax bonds will be used to fund highway projects. The proceeds from the new state GO bonds will be used to fund rail, ferry, and local road projects. The following table displays the bond sales required to support the WSDOT 2005-07 budget proposal and ten-year plan.

	Total Authorization	Bonds Sold as of August 1, 2004	Planned Sales for Remainder of FY 2005	Remaining Authority as of July 1, 2005	2005-2007 Budget Proposal	Remainder of 10-Year Plan	Remaining Authorization after 2013-15
2003 Transportation Project Bonds (Nickel Account) RCW 47.10.861							
Highway Improvements	\$2,600,000,000	\$175,000,000	\$80,000,000	\$2,345,000,000	\$704,000,000	\$1,641,000,000	\$0
Multimodal Bonds (GO Bonds) RCW 47.10.867							
Multimodal Transportation Projects	\$349,500,000	\$20,000,000	\$24,022,000	\$305,478,000	\$48,164,000	\$257,314,000	\$0
Referendum 49 Bonds RCW 47.10.813							
State and Local Highway Improvements	\$1,100,000,000	\$787,330,000	\$0	\$312,670,000	\$125,000,000	\$90,000,000	\$97,670,000
Set-aside for Tacoma Narrows Bridge*	\$800,000,000	\$498,000,000	\$45,000,000	\$257,000,000	\$257,000,000	\$0	\$0
Total R 49 Bond Authorization	\$1,900,000,000	\$1,285,330,000	\$45,000,000	\$569,670,000	\$382,000,000	\$90,000,000	\$97,670,000
Special Category C Bonds RCW 47.10.812							
Highway Improvements	\$330,000,000	\$330,000,000	\$0	\$0	\$0	\$0	\$0
Total Bond Sales Required to Support the 2005-07 Budget Proposal and Ten-Year Plan					\$1,134,164,000	\$1,988,314,000	

* Some portion of the bond sale amount for Tacoma Narrows Bridge may not be required to complete the financing of the project. It is too early in the project to determine how much may or may not be needed.

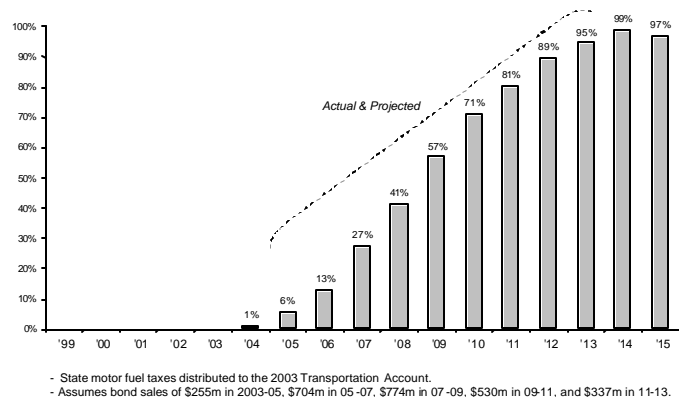
Debt Service

Historically, Washington State's transportation bonds have been backed by the gas tax receipts and the state's full faith and credit. The Transportation 2003 Funding Package broke from the past by providing both new gas tax bonding authority (\$2.6 billion) and state GO bonds that are not backed by the gas tax (\$349.5 million). The debt service on the 2003 Funding Package's \$2.6 billion bond authorization will be paid by the nickel increase in the gas tax. Debt service for the state GO bonds will be paid from the Multimodal Transportation Account by using receipts from the new 0.3% sales tax on new and used vehicles, augmented by the rental car tax receipts and other fees already directed to this account.

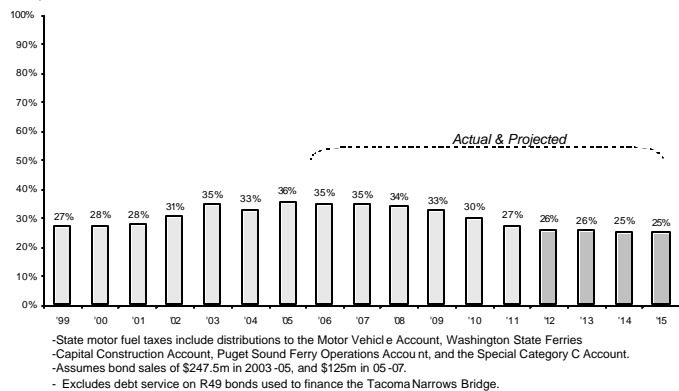
Nearly all of the revenue from the new nickel gas tax increment will be dedicated to paying debt service by the end of the ten-year period. The first chart on the right shows the projected growing percentage of the nickel tax required to pay debt service for the specified project list identified by the legislature through 2015. The second chart shows the percentage (actual and projected) of the state's share of the 23¢ portion of the gas tax required to pay debt service for all other gas tax bonded capital projects through 2015. Recall from the gas tax distribution chart presented earlier that the state share of the 23¢ portion of the gas tax is about 12¢. Of this 12¢, about 4¢ is presently dedicated to debt service.

The following chart represents all debt service (actual and projected) obligated by gas tax revenues through 2015. In 2003, WSDOT's debt service reached a historic high as a percentage of the state's share of gas tax revenues. This percentage decreases in 2004 as the nickel tax revenues are received. However, because the nickel tax will be highly leveraged, debt service as a percentage of the state's share of gas tax revenues once again will reach historic highs by 2009.

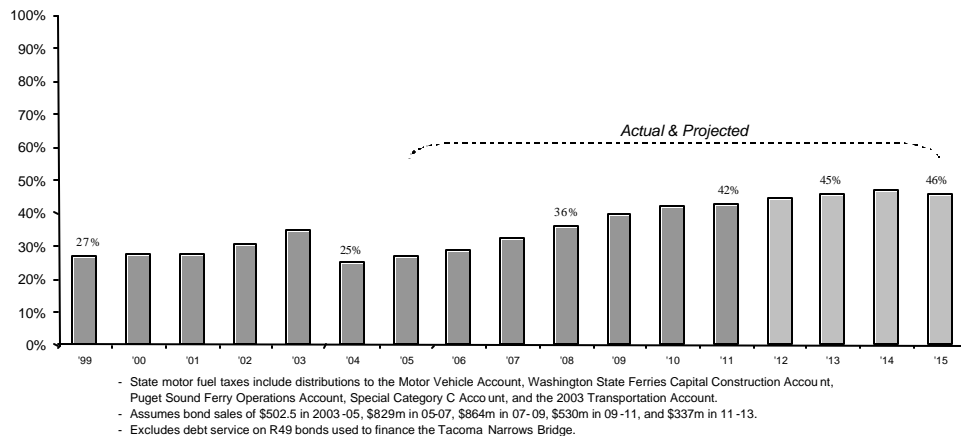
Debt Service as a Percent of the Nickel Gas Tax Increment



Debt Service as a Percent of the State Portion of the 23¢ Motor Fuel Tax (State Portion of the 23¢ = 12.04¢/gallon)



Debt Service as a Percent of the State's Overall Share of the Gas Tax



Certificates of Participation

In order to implement the ten-year plan for WSDOT's Capital Facilities Program, the department proposes to finance the replacement of several major region facilities through the Certificate of Participation program administered by Office of the State Treasurer. In the 2005-07 biennium, funding provided by the issue of certificates of participation (COP) is proposed for three facility replacements. They are the Olympic Region Headquarters, Vancouver Light Industrial Facility, and the Ephrata Area Maintenance Facility. The department also plans to use this financing tool for replacement of the Tri-Cities Area Maintenance Facility, in the 2009-11 biennium.

Projects and Amounts to be Financed with Certificates of Participation (COPs)
Capital Facilities Program
dollars in millions

	2005-07	2007-09	2009-11	Total
<i>Projects requiring financing in 2005-2007</i>				
Olympic Region Headquarters				
Proceeds from Certificates of Participation	\$9.8	\$25.1	\$0.0	\$34.9
Motor Vehicle Account State Funds	0.0	0.0	0.0	0.0
Total	\$9.8	\$25.1	\$0.0	\$34.9
Vancouver Light Industrial Facility				
Proceeds from Certificates of Participation	\$3.1	\$13.4	\$0.0	\$16.5
Motor Vehicle Account State Funds	1.0	0.0	0.0	1.0
Total	\$4.1	\$13.4	\$0.0	\$17.5
Ephrata Area Maintenance Facility				
Proceeds from Certificates of Participation	\$3.2	\$0.0	\$0.0	\$3.2
Motor Vehicle Account State Funds	0.2	0.0	0.0	0.2
Total	\$3.4	\$0.0	\$0.0	\$3.4
Total projects requiring financing in 2005-2007				
Proceeds from Certificates of Participation	\$16.0	\$38.5	\$0.0	\$54.5
Motor Vehicle Account State Funds	1.2	0.0	0.0	1.2
Total Requiring Financing in 2005-2007	\$17.2	\$38.5	\$0.0	\$55.7
<i>Projects requiring financing in future biennia</i>				
Tri-Cities Area Maintenance Facility				
Proceeds from Certificates of Participation	\$0.0	\$0.0	\$5.9	\$5.9
Motor Vehicle Account State Funds	0.0	1.4	0.3	1.8
Total	\$0.0	\$1.4	\$6.2	\$7.6
Total All Projects				
Proceeds from Certificates of Participation	\$16.0	\$38.5	\$5.9	\$60.4
Motor Vehicle Account State Funds	1.2	1.4	0.3	3.0
Total Requiring Financing in all Biennia	\$17.2	\$39.9	\$6.2	\$63.4

For the 2005-07 biennium, the department is requesting approval to issue COPs totaling **\$54,539,000** that will be allocated to the three projects as follows:

Olympic Region Headquarters,
 \$34,874,000;
 Vancouver Light Industrial Facility,
 \$16,512,000;
 Ephrata Area Maintenance Facility,
 \$3,153,000.

COPs will fund total future site acquisition, design, and construction costs of the Olympic Region Headquarters. For the Vancouver and Ephrata facilities COPs will finance all but a small portion that will be funded with current revenues.

Although construction of the Olympic Region and Vancouver projects will not be completed until the 2007-09 biennium, it is assumed that the total amount of COPs will be issued in the 2005-07 biennium.

Estimated Principal and Interest for Anticipated COPs
dollars in millions

2005-07	2007-09	2009-11	2011-13	2013-15
\$1.3	\$5.2	\$10.5	\$10.6	\$10.6

At this time, the anticipated repayment period of the principal amounts of COPs that will be issued is 20 years. For planning purposes, an interest rate of 6% is assumed. The table above shows the estimated costs of repayment of principal and interest on the COPs issued for these projects for the first ten years.

Ferry Fares

Washington State Ferry fares and other miscellaneous ferry revenues are used for ferry operations. Ferry fare revenues are assumed to include a 5% fare increase each May through the year 2009 and inflationary increases each May thereafter. Ferry fares and miscellaneous ferry revenues are augmented by direct distributions from the gas tax and LPF revenues as well as appropriations from other transportation accounts to round out the ferry capital and operating budgets. The following table displays the forecasted ferry ridership and farebox revenue through 2015.

Ferry Ridership (millions of riders)
Farebox Revenue (millions of dollars)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Passenger	13.6	13.8	13.8	14.0	14.2	14.1	14.0	14.2	14.3	14.5	14.7	14.9
Vehicle/ Driver	10.8	10.3	10.6	10.8	11.0	11.1	11.1	11.2	11.5	11.7	11.9	12.1
Total Ridership	24.4	24.1	24.4	24.8	25.2	25.2	25.1	25.4	25.8	26.2	26.6	27.0
Farebox Revenues	\$126.9	\$129.1	\$139.3	\$149.7	\$161.7	\$171.4	\$179.5	\$186.7	\$194.7	\$203.0	\$212.0	\$220.7

Local Funds

The Department of Transportation will sometimes perform work on the State Highway System at the request of local governments. In most circumstances, local governments reimburse the state for all or a part of the costs. Local funds assumed in WSDOT's budget proposal for 2005-07 reflect anticipated local contributions to projects and programs.

Federal Funds

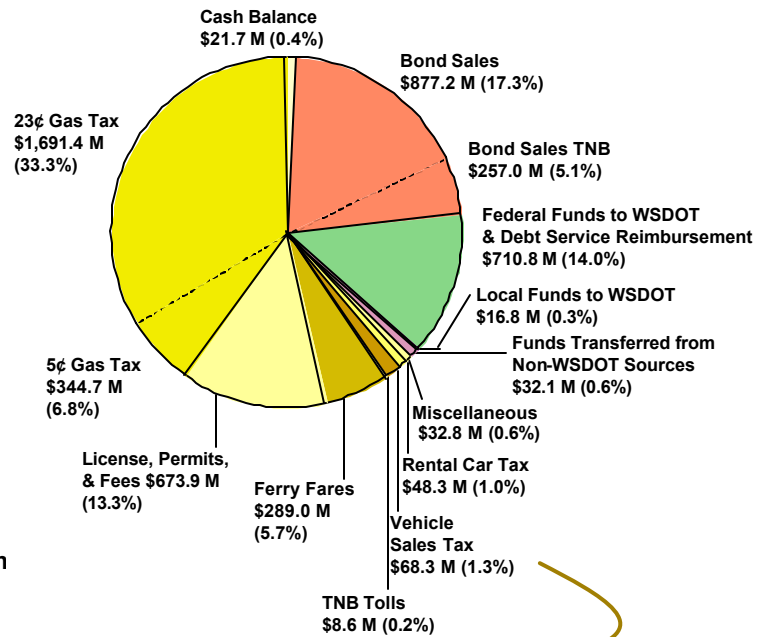
The federal government provides significant financial assistance to Washington State for transportation programs. Most federal assistance is authorized through federal-aid highway acts. A "line of credit" for the state is created that is apportioned, or allocated, by the Federal Highway Administration. The state obtains obligation of these funds based on its spending plans and is reimbursed when it incurs federally-eligible costs. The Transportation Equity Act for the 21st Century (TEA -21), was signed into law in June 1998, and expired September 2003. Congress has passed several extensions of TEA -21 as it deliberates on a new six-year transportation bill. The current extension of TEA -21 goes through September 2004. Reauthorization could be postponed into federal fiscal year 2005.

Federal cash flow estimates contained in the Current Law Budget proposal are derived from the TEA -21 program authorizations and have been extended for the ten-year planning period. For the remainder of the ten-year planning period, it was assumed that the current structure of the federal transportation programs would continue. A full description and discussion of the individual federal programs authorized in TEA -21 can be found in the latest issue of the Legislative Transportation Committee's *Transportation Resource Manual*.

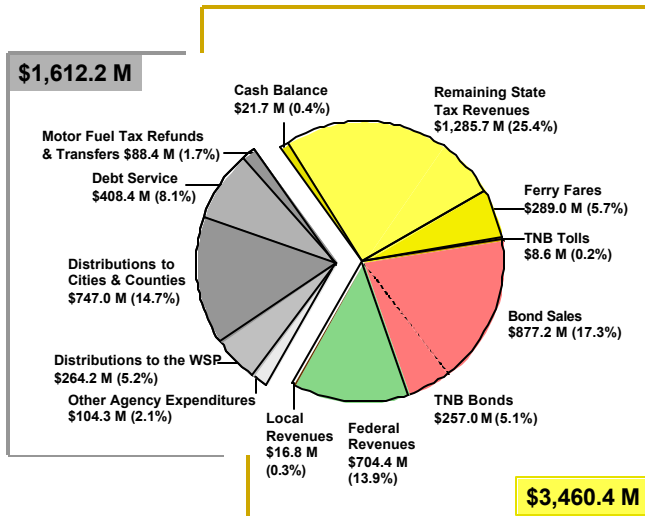
How is WSDOT's Budget Funded?

Funding for WSDOT's budget comes from several sources. The major sources of transportation revenue are the gas tax and licenses, permits, and fees. The budget is also funded from ferry fares and concessions, rental car taxes, and miscellaneous revenues, which include interest earnings. Funds also come from bond sales, federal funds, local funds, and remaining cash balances from previous years.

2005-2007 Total Transportation Funds: \$5,072.6 million



2005-2007 Distribution of Funds: \$1,612.2 million Portion of Funds Available for WSDOT: \$3,460.4 million



Though the state collects the gas tax and licenses, permits, and fees a portion of these funds are distributed back to the cities and counties. These statutory distributions along with appropriations to other agencies, refunds, transfers and debt service are shown in the gray area of the pie chart to the left. The portion of the chart outlined in yellow is assumed to be available for the proposed WSDOT 2005-2007 Operating and Capital budgets.

The chart to the right summarizes the current 2003-2005 budget and the proposed 2005-2007 budget.

WSDOT Funds by Source; Allocated to Operating Expenditures & Capital Investment 2003-05 Biennium Compared to WSDOT's Budget Proposal for the 2005-07 Biennium			
Based on the June 2004 Transportation Revenue Forecast			
2003 - 2005		2005 - 2007	
Cash Balance*	\$ 162.0 M	Cash Balance**	\$ 21.7 M
State Revenues	1,311.8 M	State Revenues	1,285.7 M
Ferry Fares	256.0 M	Ferry Fares	289.0 M
Tolls	0	Tolls	8.6 M
Total State Funds	\$ 1,729.8 M	Total State Funds	\$ 1,605.0 M
Bonds	\$ 570.3 M	Bonds	\$ 877.2 M
Bonds - Tacoma Narrows	567.0 M	Bonds - Tacoma Narrows	257.0 M
Federal Funds	\$ 829.5 M	Federal Funds	\$ 704.4 M
Local Funds	\$ 57.4 M	Local Funds	\$ 16.8 M
Total Funds	\$3,753.9 M	Total Funds	\$3,460.4 M
Operating	\$1,031.3 m	Operating	\$1,061.6 m
Capital	\$2,722.7 m	Capital	\$2,398.8 m
	\$995 M		\$1,025 M
	32 M		32 M
	5 M		5 M
	\$735 M		\$580 M
	570 M		877 M
	(TNB) 567 M		(TNB) 257 M
	798 M		673 M
	64 M		12 M

Revenue and Fund Risks

It should be recognized that the transportation funds have not yet been collected and that actual collections may not meet current expectations. Some potential risks include:

- Actual receipts of transportation taxes (e.g. gas taxes, and licenses, permits, and fees) may be lower than current predictions.
- Federal receipts could fall short of projections and are subject to a new federal act.
- Ferry riders could be more sensitive to an increase in ferry fares than what is currently predicted, causing a reduction in fare-box collections.
- Changes in the law, either through legislative action or through the initiative process.

Ten-Year Plan

A long-term outlook of transportation sources and uses often provides insight into how transportation funds may be used in the future. The next two pages display by program the 2003-05 current budget, the WSDOT proposed 2005-07 budget, and the remainder of the department's ten-year plan for both operating and capital uses through fiscal year 2015. The operating plan for the out-biennia was developed, with few exceptions, by applying half the rate of inflation to the 2005-07 levels. The ten-year capital plan is driven for the most part by the Legislative 2003 Transportation Project List. Also displayed by biennia are the sources of funds and debt service withholding through 2015.

In addition to all of the funding assumptions discussed earlier, the ten-year plans are also partially funded from transportation accounts not administered by WSDOT. Specifically, over the ten-year period the plan assumes that \$40 million of funding from the Highway Safety Account and \$80 million from the State Patrol Highway Account will be transferred to the Motor Vehicle Account to aid in supporting WSDOT's budget proposal. Finally, with few exceptions, it was assumed that the legislature would provide expenditure authority for other transportation agencies from the Motor Vehicle Account at their 2003-05 levels adjusted by half the rate of inflation.

**Department of Transportation 2005-2007
Operating Budget and Ten-Year Financial Plan**

dollars in millions



Program Categories	03-05	05-07	07-09	09-11	11-13	13-15	Ten-Year Total
Uses of Funds:							
Highways							
Highway Maintenance and Operations • M	291.0	295.1	302.0	308.8	315.9	323.0	1,544.8
Highway Traffic Operations • Q	39.2	42.7	43.7	44.6	45.6	46.6	223.2
Tacoma Narrows Toll Maintenance and Operations	0.0	8.6	27.6	28.8	39.6	46.4	151.0
Highways Total	330.2	346.4	373.2	382.3	401.0	416.0	1,918.9
Ferries Maintenance & Operations • X	318.8	328.0	339.5	358.7	377.2	398.0	1,801.4
Public Transportation and Rail							
Public Transportation • V	49.8	51.6	56.0	60.3	63.7	67.2	298.8
Rail • Y	34.1	38.9	39.5	40.3	41.0	41.7	201.4
Public Transportation and Rail Total	83.9	90.5	95.5	100.6	104.7	109.0	500.2
Aviation • F	8.0	7.5	7.3	7.5	7.6	7.7	37.5
Transportation Economic Partnerships • K	1.0	1.0	1.0	1.1	1.1	1.1	5.3
Local Programs • Z	9.7	9.5	9.8	10.0	10.2	10.5	50.0
Support Services and Other Charges							
Facilities Maintenance & Operations • D	31.1	33.2	34.1	34.5	35.3	36.1	173.1
Program Delivery Management & Support • H	49.6	48.4	49.5	50.6	51.7	52.9	253.0
Transportation Management & Support • S	27.4	26.9	27.5	28.2	28.8	29.5	140.9
Office of Information Technology • C	68.9	67.1	68.6	70.2	71.8	73.5	351.2
Transportation Planning, Data, & Research • T	48.0	40.0	40.1	40.9	41.8	42.7	205.4
Charges from Other Agencies • U	54.7	46.0	47.0	48.1	49.2	50.3	240.5
Support Services Total	279.7	261.5	266.7	272.3	278.5	284.8	1,363.9
Placeholder for Possible Compensation Changes							
All programs		17.1	19.9	20.6	21.3	22.1	101.1
Total Operating Uses of Funds	1,031.3	1,061.6	1,113.0	1,153.0	1,201.6	1,249.1	5,778.4
Sources of Funds:							
State Revenues from Taxes and Fees	739.0	727.6	715.7	720.8	731.9	750.6	3,646.6
Tacoma Narrows Toll Bridge (Net) Revenue	0.0	8.6	27.6	28.8	39.6	46.4	151.0
Ferry Fares*	256.0	289.0	333.1	366.2	392.2	413.6	1,794.3
State Revenue	995.0	1,025.2	1,076.4	1,115.8	1,163.7	1,210.6	5,591.8
Federal	31.7	31.7	31.8	32.4	32.9	33.5	162.3
Local	4.6	4.6	4.8	4.9	5.0	5.1	24.3
Total Operating Sources of Funds	1,031.3	1,061.6	1,113.0	1,153.0	1,201.6	1,249.1	5,778.4
Debt Service Withholding:							
Highway Debt Service (MVA, Special C)	229.9	265.2	259.4	223.9	214.6	214.2	1,177.3
Ferry Capital Construction Debt Service	35.8	37.5	38.5	35.0	32.6	30.5	174.1
Nickel Account Debt Service	22.2	95.4	208.5	308.4	372.9	395.4	1,380.6
Total Gas Tax Supported Debt Service	287.9	398.1	506.4	567.3	620.1	640.1	2,732.0
Multimodal Account Debt Service (GO Bonds)	1.4	8.7	20.3	38.7	49.5	53.5	170.7
Tacoma Narrows Bridge Debt Service**		1.6	60.8	85.4	95.3	116.8	359.8
Total Transportation Debt Service Withholding	289.3	408.4	587.5	691.4	764.8	810.4	3,262.4

08/03/04

* In 2011-2013 and 2013-15, the forecasted revenue from ferry fares is projected to be greater than the amounts displayed. In 2011-13, approximately \$6.3m in ferry fares are assumed to contribute to the estimated ending balance of the Puget Sound Ferry Account; in 2013-15, \$9.8 million is assumed to contribute to the ending balance and \$10.2 million is assumed to support WSF capital expenditures.

** Debt service for the Tacoma Narrows Bridge will be paid by toll collections, however the bonds are ultimately backed by the state gas tax.

The 03-05 column displays amounts appropriated in the 2003-05 Enacted Transportation Budget, as adjusted by the 2004 Supplemental Transportation Budget, and compensations adjustments.

**Department of Transportation 2005-2007
Capital Budget and Ten-Year Financial Plan**
dollars in millions

Program Categories	03-05	05-07	07-09	09-11	11-13	13-15	Ten-Year Total
Uses of Funds:							
Highway Construction							
<i>Hwy. Improvements • I (Pre-existing Funds)</i>	441.1	301.9	227.3	179.9	188.1	196.6	1,093.8
<i>Highway Improvements • I (2003 Funding Package)</i>	558.5	922.2	852.5	586.7	286.2	1.1	2,648.8
<i>Tacoma Narrows Bridge • I*</i>	604.0	278.7	0.0	0.0	0.0	0.0	278.7
Total Highway Improvements • I	1,603.5	1,502.8	1,079.9	766.6	474.4	197.7	4,021.3
<i>Hwy. Preservation • P (Pre-existing Funds)</i>	475.5	375.0	463.3	544.1	612.2	612.0	2,606.5
<i>Hwy. Preservation Hood Canal • P (Pre-existing Funds)*</i>	254.3	175.6	0.0	0.0	0.0	0.0	175.6
<i>Highway Preservation • P (2003 Funding Package)</i>	2.0	10.3	5.0	20.3	107.0	42.5	185.1
Total Highway Preservation • P	731.8	560.9	468.3	564.4	719.2	654.5	2,967.2
Total Highway Construction	2,335.3	2,063.6	1,548.1	1,331.0	1,193.6	852.2	6,988.5
Other Highway							
Capital Facilities • D	17.2	7.7	8.0	12.2	12.0	12.0	51.8
Traffic Operations • Q	29.2	27.1	26.4	27.0	28.0	29.6	138.1
Total Other Highways	46.4	34.8	34.4	39.2	40.0	41.6	189.9
Total Highways	2,381.7	2,098.4	1,582.5	1,370.2	1,233.5	893.8	7,178.4
Ferries Construction							
<i>Ferry Construction • W (Pre-existing Funds)</i>	180.1	199.8	285.6	239.2	229.5	253.0	1,207.2
<i>Ferry Construction • W (2003 Funding Package)</i>	17.5	42.7	159.0	74.6	3.9	4.1	284.5
Total Ferry Construction • W	197.6	242.6	444.6	313.9	233.5	257.2	1,491.7
Rail • Y	56.5	39.4	76.9	40.6	42.4	2.8	202.1
Local Programs • Z	87.0	18.4	1.8	1.8	1.8	1.8	25.7
Total Capital Uses of Funds	2,722.7	2,398.8	2,105.8	1,726.5	1,511.2	1,155.6	8,897.9
Sources of Funds:							
State Revenues from Taxes and Fees**	734.8	579.7	517.7	502.3	514.5	523.1	2,637.4
Bond Proceeds							
<i>Nickel Account Bonds</i>	275.0	704.0	774.0	530.0	337.0	0.0	2,345.0
<i>Multimodal Account Bonds</i>	47.8	48.2	134.2	84.5	38.7	0.0	305.5
<i>R-49 Bonds</i>	200.7	125.0	90.0	0.0	0.0	0.0	215.0
<i>R-49 Tacoma Narrows Bonds</i>	567.0	257.0	0.0	0.0	0.0	0.0	257.0
<i>Emergent/Emergency and Special C Bonds</i>	46.9	0.0	0.0	0.0	0.0	0.0	0.0
Total Bond Proceeds	1,137.3	1,134.2	998.2	614.5	375.7	0.0	3,122.5
Federal	797.7	672.7	585.1	601.7	617.6	632.6	3,109.7
Local	52.9	12.2	4.8	7.9	3.4	0.0	28.4
Total Capital Sources of Funds	2,722.7	2,398.8	2,105.8	1,726.5	1,511.2	1,155.6	8,897.9

08/03/04

* Some portion of the amounts appropriated in 2003-05 for the Tacoma Narrows Bridge will be reappropriated to 2005-07 and 2007-09. Additionally, a portion of the amounts appropriated in the 2003-05 Highway Preservation Pre-existing Funds for the Hood Canal Bridge will be reappropriated to 2005-07, 2007-09 and 2009-11.

** In 2011-13, WSF concession revenue is assumed to contribute approximately \$5.2 million to WSF capital expenditures; in 2013-15 concessions revenue is assumed to contribute \$8.2 million and ferry fares \$10.2 million.

The 03-05 column displays amounts appropriated in the 2003-05 Enacted Transportation Budget, as adjusted by the 2004 Supplemental Transportation Budget, and the 2003-05 Capital (Omnibus) Budget funding for Everett rail barge facility and Columbia River dredging reappropriation.

Appendix A

Business Directions



Our mission is to keep people and business moving by operating and improving the state's transportation systems vital to our taxpayers and communities.

D R A F T

Management Principles

Leadership

We are committed that WSDOT provide strategic vision and leadership for our state's transportation needs.

Delivery and Accountability

We shall manage the resources taxpayers and the legislature entrust to us for the highest possible return of value. We shall be disciplined in our use of both time and money. We shall account for our achievements, our shortcomings and our challenges to citizens, to elected officials, and to other public agencies.

Business Practices

We shall encourage progressive business management practices in delivering cost effective and efficient transportation programs. Our quest for short-term cost savings and business process improvement shall be balanced by the long term need to preserve and improve the state's transportation systems through sound fiscal planning and asset management.

Safety

Concern for the health and safety of the people who use and work on our transportation facilities shall be a paramount value in every area of our business.

Environmental Responsibility

Our work shall incorporate environmental protection and improvements into the day-to-day operations of the department as well as the on-going development of the state's transportation facilities.

Excellence and Integrity

Our employees shall work in a culture of workplace excellence and diversity that encourages creativity and personal responsibility, values teamwork, and always respects the contributions of one another and of those with whom we do business. We shall adhere to the highest standards of courtesy, integrity and ethical conduct. We shall encourage and recognize our employees' professionalism and their career growth.

Communications

We shall stress the importance of sharing clear, concise and timely information with WSDOT employees, elected officials, community leaders, businesses, citizens and taxpayers, others in the transportation community, with the press and other media. We shall strive for the effectiveness of all our employees in meeting WSDOT's communications standards.

This is the summary of WSDOT's current work plan. It is based on the policy, programs and budgets adopted by the state legislature in the 2003-2005 Transportation Budget and the 2004 Supplemental Transportation Budget. It reflects efforts to be made by employees all over the state whose work centers on many different aspects of delivering WSDOT's overall program responsibilities. It also reflects WSDOT's efforts to prepare for adopting transportation budgets in accordance with responsibilities carried out by WSDOT and the Washington State Transportation Commission, that have been specified and guided by the state legislature over many years.

WSDOT believes that its single most important aim at this time is to support on-going efforts to increase investment in the diverse transportation facilities and systems that are required for the future well being of our state. The need for higher levels of investment has been widely demonstrated. The three main points are:

First, the recent, current and future growth of demands on transportation systems resulting from population growth and economic growth.

Second, the historical under investment in growing transportation needs.

Third, the continuing aging and deterioration of transportation assets and the mounting burden for capital rehabilitation to offset the toll of wear, tear and functional obsolescence.

WSDOT has important transportation system goals to meet through its day-to-day work to build and operate state highways, manage the Washington State Ferries and perform numerous other legislative instructions.

Everything comes together, however, in the overriding need to demonstrate the best possible return for every dollar of taxpayer investment/legislative appropriation. This must be done so that citizens can endorse and support the higher and additional levels of investment that must be achieved if the state's transportation systems are to meet the state's needs.

Please note that the activities and measures listed in this document are subject to revision and refinement.

Plan and build (deliver) capital investment projects for our transportation systems in accordance with the instructions of the legislature.

Includes capital "preservation" projects and programs (for example, roadway re-surfacing and bridge rehabilitation projects) as well as capital "system improvement projects" (for example, widening SR 18 or building new ferry vessels).

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Plan for needed projects and, at this time in particular, support the development of a Regional Transportation Investment District program for the central Puget Sound area.

Deliver the capital projects (highway, ferry and rail) provided for by current law and the 2003 Transportation Funding Package.

a. Use frequent exchange and support between headquarters and regional staff to overcome obstacles to program delivery.

b. Improve timeliness and cost-performance of freight and passenger rail capital projects by adapting best practices from the highway construction program.

Develop better project management and reporting information systems to improve the agency's capacity for program and project management.

Continue to address the preservation backlog of ferry systems and structures that are past due as well as ongoing deterioration of terminal and vessel components.

Preserve pavement to lowest life cycle cost standards.

Preserve and maintain bridge structures and components to extend bridge service lives.

Deliver the Regional Express projects on time and within budget, according to Sound Transit plans (by providing timely project reporting and continuing coordination and review of construction plans).

Develop and implement federal and state grant programs in an efficient and equitable manner.

Develop and implement Context Sensitive Solutions training to improve coordination and partnership opportunities with local agencies.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Planned vs. actual number of **project advertisements** (pre-existing funds and 2003 Transportation Funding Package funds)

Planned vs. actual **expenditures** (pre-existing funds and 2003 Transportation Funding Package funds)

Planned vs. actual project advertisements for the **safety construction program** (state benchmark)

Cost comparison for contracts awarded: **Engineer's estimate to award amount**

Cost comparison for contracts completed: **Final cost to award amount and to engineer's estimate**

End-of-season **construction project evaluations**

Planned vs. actual tons of **hot mix asphalt pavement** delivered

Environmental impact statement processing times

Number of environmental **non-compliance events**

Construction site **erosion and runoff protection**

Completed monitoring **wetlands success rate**

Bridge structural condition ratings (state benchmark)

Planned vs. actual completed projects for the **overall bridge preservation program**

Planned vs. actual number of **bridge deck protection projects** advertised

Planned vs. actual number of **seismic retrofit projects** advertised

Planned vs. actual number of **steel bridge painting projects** advertised

Pavement condition ratings (state benchmark)

Age and retrofit status of **concrete pavement** lane miles

Ferry life cycle preservation performance

2

Maintain and operate the transportation facilities and systems placed under the department's responsibility making cost-effective use of the appropriations provided by the legislature from citizens' taxes.

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Maintain highways to the level of service designated by the legislature.

Maintain ferry boats and terminals to ensure reliability of service.

Operate the ferries to ensure on-time performance.

Rail car maintenance (Amtrak *Cascades* and the Washington Grain Train) (to be developed).

Operate intercity passenger rail in partnership with Amtrak to ensure service reliability.

Attain highest standards of environmental protection while performing responsibilities of maintenance activities.

Define highway maintenance productivity and costing measurements.

Maintain IT legacy systems to ensure existing program delivery and reporting capabilities.

Develop maintenance standards for the aviation system.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Percent of targeted service levels achieved for the **Maintenance Accountability Process (MAP)**

Planned vs. actual **highway sign bridges** repaired

Planned vs. actual miles of **pavement striping** painted

Herbicide usage trends

Number of environmental **non-compliance events**

Tons of **Litter** removed from highways

Forecasted vs. actual **ferry fare box revenues**

Forecasted vs. actual **ferry ridership**

Ferry on-time performance

Ferry trip reliability index

Number of **Grain Train carloads**

Amtrak Cascades on-time performance

Amtrak Cascades ridership by month and year

Amtrak Cascades fare box recovery by train

Number of **pilot and aircraft registrations**

Optimize the operational efficiency and safety of the transportation systems and facilities committed to WSDOT's charge.

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Improve travel time reliability by improving incident response and motorist assistance.

Continue improving the overall quality and accessibility of transportation data. For example, remove lag time on processing collision data and continue developing the Electronic Traffic Records Information Project (ETRIP) to further streamline accident coding.

Develop an Intelligent Transportation Systems (ITS) plan to incorporate possible ITS elements and related communication infrastructure into the highway construction program.

Improve interrelation of various traveler information tools, including the Web site, HAR, VMS, and 511, and facilitate linkages to private sector traveler assistance such as private wireless in-vehicle systems, radio and TV traffic reporting, etc., to provide better customer information and improve highway clearance strategies.

Establish Emergency Operations Center (EOC) programs to address emergency situations arising from security and natural disasters and complete regular emergency exercises involving appropriate WSDOT divisions.

Conduct outreach to key freight constituencies in order to better incorporate freight needs into agency operations.

Implement the SR 167 HOT Lane pilot project to demonstrate benefits of congestion pricing and managing HOV lane use.

Develop the highway safety plan as an element of the Washington Transportation Plan.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Before and after collision data for safety projects

Fatality rate on state highways vs. all state roads and U.S. roads

Percent **change in fatal and disabling crashes** and VMT (state benchmark)

Alcohol-related fatalities state comparison

Alcohol-related fatality rate

Bicycle fatality rate state comparison

Before and after collision data for **cable median barriers**

Pedestrian fatality rate state comparison

Before and after collision data for **roundabouts**

Seat belt use state comparison

Travel times on 12 Puget Sound region corridors (state benchmark)

95 percent reliable time during peak travel on 12 Puget Sound region corridors (state benchmark)

Average number of **minutes to clear all incidents**

Average number of **minutes to clear incidents that last over 90 minutes** (state benchmark)

Incident Response program **response types**

Total **number of incident responses**

Drive alone commuting rate state comparison

Commute mode share in Washington state

Park and ride lot occupancy rate in King County

Number of operating **vanpools** in Puget Sound

Traveler information web site daily **page views**

Traveler information **calls** (1-800-695-ROAD, 511)

Report to the Transportation Commission, citizens, other officials and the legislature on achievements, shortcomings and challenges in WSDOT's performance.

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Continue and improve the *Gray Notebook*.

Provide timely, accurate, no surprises reporting on capital program delivery.

Develop policies to monitor project status and financial reports through collaboration with regional administrators and headquarters staff.

Continue and expand efforts at internal communication to reinforce all employees' understanding of the agency mission and their roles.

Sharpen and unify messages as part of the "OneDOT" communications strategy.

Increase the frequency of contacts with "opinion makers" about the WSDOT program/project delivery record.

Regularly inform Congressional offices of key WSDOT accomplishments and challenges.

Continue to improve tribal relations and project delivery (by sponsoring an annual tribal/state transportation conference, conducting tribal relations classes, and mentoring and supporting Tribal Coordinators).

Complete the development of the Environmental Management System (EMS).

Continue refinement of the agency Web site to provide consistent and accessible information.

Develop and implement an audit plan covering the agency's financial and compliance risk areas (by reviewing gaps in prior audit planning processes, meeting with executives and direct reports to discuss areas of concern, and monitoring the work of other audit organizations).

Provide quarterly reports on progress on audit findings from previous year.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Publication of ***Gray Notebook***

Publication of **annual construction highlights**

On-line access to construction project information including quarterly project updates

Publication of **annual benchmark update**

Support the State Transportation Commission in preparing proposed budgets and plans for transportation systems and facilities.

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Continue to improve the analytical tools to support the strongest possible state plan (WTP) to address the state's needs for transportation investment.

Implement information technology to meet managers' needs to link financial and project/program management.

Develop and expand WSDOT's use of system performance measures.

Develop a freight investment plan based on regional economic case studies, surveys, and interviews.

Continue to implement and monitor the Ferries' Capital Funding Plan.

Develop a financial plan for Amtrak *Cascades* operating and capital expenditures coincident with the agency's update of the passenger rail plan and Oregon's budget plan development.

Develop business plans for state airports, aviation planning, search and rescue, and pilot/aircraft registrations.

Define aviation system of statewide significance and airport functional classifications in coordination with regional planning decision-makers.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Adoption of **Washington Transportation Plan** in 2005.

Submit WSDOT's **2005-2007 budget proposal** to the Governor by September 1, 2004.

Assure the capability and efficiency of WSDOT's workforce.

2003-2007 Initiatives (To-Do List)

ACTIVITIES

Ensure that employees are adequately trained in health and safety issues.

Develop a successful Work Zone Safety Task Force with an improved scope and operations plan that addresses work zone design and implementation with the construction program.

Fill key vacancies and continue attention to placement and recruitment of the best available management talent at every organizational level.

Retool and implement WSDOT's leadership development program to prepare for manager succession.

Work to reduce the cost of tort claims (by developing a 24/7 access tort information center, and by developing a briefing to the legislative transportation committee on the department's participation in the state's self-insurance fund).

Prepare management team to lead successful implementation of PSRA.

Continue WSDOT's research program to discover and implement innovative practices and materials as appropriate.

PUBLISHED MEASURES INCLUDE: (SEE PAGE 8)

Injury rate for highway maintenance workers

Injury rate for highway engineers

Injury rate for ferry vessel workers

Highway maintenance workers **safety training compliance**

Human resources training rate for all WSDOT employees

Administrative cost (state benchmark)

Workforce level

WSDOT Performance Measures

All of the performance measures used in this document are frequently updated and published in WSDOT's comprehensive quarterly performance report *Measures, Markers, and Mileposts* (also known as the *Gray Notebook*). The measures contained in *2003-2007 Business Directions* track progress toward the agency's six overarching initiatives, and are not directly related to the activities listed under each initiative.

The measures published in the *Gray Notebook* (available at www.wsdot.wa.gov/accountability/) are also used for other required agency reports, including the Governor's Performance Agreement and the Office of Financial Management's budget performance measures.

State Transportation Benchmarks

WSDOT's activities support the attainment of the Washington State Transportation Commission's benchmarks for measuring the performance of the state transportation system. Some of the benchmarks are regularly used and reported by WSDOT to track the performance of its transportation systems and facilities:

- Safety
- Pavement condition
- Bridge condition
- Traffic congestion and driver delay
- Administrative efficiency

Other benchmarks, such as transit cost efficiency and per capita vehicle miles traveled, are only indirectly related to WSDOT's investments in the state transportation system. Other jurisdictions, including transit agencies and cities and counties, own and operate systems that involve the remaining state policy goals:

- Per capita vehicle miles traveled
- Non-auto share of commute trips
- Transit cost efficiency

Each benchmark and attainment status is described in detail in WSDOT's *Transportation Benchmarks Implementation Report*, available at www.wsdot.wa.gov/accountability/benchmarks/. An annual update of benchmark results will be published in August 2004.

Priorities of Government

WSDOT's activities support the Priorities of Government (POG) established by Governor Gary Locke for the 2003-2005 biennium. The 2003-2005 POG budget process identified 10 goals that all state spending should be measured against. WSDOT's activities directly support several of these goals:

- ☐ Improve student achievement in elementary, middle and high schools
- ☐ Improve quality and productivity of our workforce
- ☐ Improve value of a state college or university education
- ☐ Improve health of Washington citizens
- ☐ Improve security of Washington's vulnerable children and adults
- ☒ Improve **economic vitality** of business and individuals
- ☒ Improve statewide **mobility** of people, goods, information and energy
- ☒ Improve **safety** of people and property
- ☐ Improve quality of Washington's natural resources
- ☐ Improve cultural and recreational opportunities throughout the state

Appendix B

Operations Transportation Equipment Fund Business Plan



Operations Transportation Equipment Fund

Business Plan

Strategic Assessment Components

May 1, 2004



**Washington State
Department of Transportation**

Business Mission

The mission of the Operations Transportation Equipment Fund (OTEF) is to provide OTEF customers with reliable, well maintained vehicles, equipment, and wireless communications that meets the needs of the users so that they may accomplish their services to the public in a safe, efficient, timely and cost effective manner.

Business Description

Within the parameters of RCW 47.08.120, Operations TEF is a non-appropriated, full service vehicle and equipment rental business within the Department of Transportation; organized to support construction and preservation of the state's transportation system.

The program provides a wide variety of rental equipment. Currently there are approximately 11,000 diverse items in inventory. In addition to providing rental units, the program operates 32 vehicle and communications service and repair facilities throughout the state. These facilities are available to other governmental agencies at a case-by-case job fee.

Operations TEF also owns and operates 128 vehicle fuel stations throughout the state that provide direct service to both the Department of Transportation (DOT) and the Washington State Patrol (WSP). These stations are also available to governmental agencies other than WSDOT and WSP that purchase approximately 900,000 gallons annually.

The program also provides and maintains the department's statewide wireless communications equipment.

Marketing Plan

The current service level is adequate and is planned to be continued. Although Operations TEF services are available to any state or local government agency, the program's primary market is DOT. As such, the department's vehicle and equipment needs and related services are assumed to remain somewhat constant over the next ten-year period.

Since the intent of the program is not to generate a profit, its revenue plan is set to provide funding for the planned expenses for operating and administrative costs and to finance vehicle and equipment replacement based on established economic life schedules. OTEF management also derives income from the sale of fuel to other local and state agencies and the sale of aged vehicles and equipment. Rental charges are levied on the assignment and use of equipment to provide the remainder of required income; and these rental charges comprise about 90 percent of OTEF's total revenue. Interest income for future years is anticipated to be relatively low and constant.

Operational Production Plan

Facilities Assessment

The facilities used by OTEF are provided through the department's Capital Facilities program, so outlays for real estate or buildings are not included in the business plan. OTEF is responsible for replacing vehicle fueling facilities; however, these outlays will be contingent on the Capital Facilities program's upgrade or replacement of the complex of which the fuel sites are a component.

Key Equipment and Technology Requirements

The planned equipment expenses are to replace the aged rental vehicles and equipment. The program's goal to maintain the inventory at 50 percent of its economic life, that is, the average age of any particular equipment class should be half of the class' established replacement schedule. A level purchasing methodology is applied to accomplish this goal, whereas the amount of units replaced annually is relatively consistent. For example, an equipment class containing 400 units, on a ten-year replacement schedule, should have 40 units replaced each year to turn the entire class inventory in its ten-year period.

Labor Requirements

Although a slight increase in fleet inventory is anticipated over the next ten years, FTE requirements are assumed to remain constant at the current level of 204.8.

Management Requirements

Not applicable.

Key Supply Requirements

Funds for supplies and materials are projected based on the average historical level necessary to fuel, service, and repair equipment in the inventory. These items include fuel, lubricants, repair parts, and general operating supplies.

Fuel costs are about 27 percent of the total operating expenditures. Fuel costs are extremely difficult to predict or control: fuel consumption is determined by equipment utilization; which is greatly affected by statewide climatic conditions. Additionally, fuel prices are very volatile, since they are sharply influenced by worldwide political events. Technological advancements in the automotive industry are making engines progressively more fuel efficient; so, as OTEF replaces its aged units, more efficient vehicles should favorably impact fuel consumption and expenditures.

The purchase of repair parts is about 17 percent of the total operating expenses. This is an operations area that OTEF management strives to improve. The recent installation of the program's new fleet management system provides more visibility and accountability in this area.

General operating supplies include such items as office materials, shop floor and parts cleaning compounds, restroom supplies, and other such items. This expense has been

relatively consistent with the number of employees; and it is anticipated to remain constant during the plan period.

Shipping/Transportation Requirements

Not applicable.

Quality Control Requirements

The program has in place a compliance inspection team to ascertain that new equipment meets the requirements of established purchasing specifications. The Environmental Protection Agency (EPA) and the Department of Ecology (DOE) periodically inspect the underground fuel storage sites to ensure DOT meets federal and state regulatory requirements. State and internal auditors ensure that appropriate system security measures are in place, there is a proper division of duties, and that the equipment rental rates are fair and equitable. The program's board of directors provides guidance for program operating policy and financial planning. The program has in place several internal performance measures to evaluate its service delivery.

Special Workforce Plans/Programs

Not applicable.

Outline of Daily Operations

Daily operations includes the following:

- Purchase new units to replace aged/wrecked vehicles and equipment.
- Perform asset management responsibilities.
- Maintain the Fleet and Equipment Management System database.
- Service and repair OTEF inventoried items; including wireless communications equipment.
- Fuel vehicles and equipment.
- Maintain the department's vehicle fueling infrastructure.
- Dispose of aged/wrecked vehicles and equipment.
- Monitor, analyze and report program performance.

Significant Changes, Challenges, or Opportunities.

The current and future costs of unleaded and diesel fuel prices are a current concern. Additionally, the price of steel is significantly on the raise, which is anticipated to substantially increase the cost of vehicles and equipment in the near future.

Performance Assessment

OTEF business objectives support the department's strategic goals to better leverage agency funds and to maximize the use of existing funds. To evaluate its performance in accomplishing these objectives, the program has developed internal performance measures for service delivery.

Strategic Assessment

The program continues to evaluate operational and administrative requirements in conjunction with its financial plan and the department's overall budget. The program anticipates delivering its 2005-07 essential services with rental rate increases within the normal inflationary increases.

Operations Transportation Equipment Fund Six Year Financial Plan

June 22, 2004

(All dollar amounts are in thousands)

	<u>2005-07</u>	<u>2007-09</u>	<u>2009-11</u>
Beginning Cash Balance	\$3	\$4	\$4
<u>Revenue:</u>			
- sundry sales	\$6,816	\$6,762	\$6,885
- equipment sales	4,663	4,270	4,341
- interest income	0	0	0
- vanpool income	279	300	319
- equipment rent	84,230	86,006	88,553
Total Revenue	\$95,988	\$97,338	\$100,098
<u>Operating Expenses:</u>			
- labor	23,471	23,822	24,177
- fuel	14,922	14,671	14,960
- repair parts	8,659	9,036	9,484
- outside services	3,397	3,153	3,309
- other	3,358	3,499	3,666
- fees to other agencies	862	870	880
Total Operating Expenses	\$54,668	\$55,051	\$56,477
Equipment Purchasing Expenses	\$41,319	\$42,286	\$43,623
Total Expenses:	\$95,987	\$97,338	\$100,099
Ending Cash Balance:	\$4	\$4	\$4

Program Highlights

With a cash balance target of zero, short term borrowing from the Treasurers Office may be required to balance cash flow.

Rental rate increase in FY06 is primarily due to projected increases in fuel costs.

Additional labor dollars provided for three FTE in 05-07, one more FTE in 07-09, and one more FTE in 09-11 - tied to highway system maintenance and nickel package.

Inflation rates provided by Financial Planning and Analysis office.

Adopted by the OTEF Board of Directors on June 21, 2004.

Operations Transportation Equipment Fund
Projected Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Biennium Ended June 30, 2007

	FY 2006	FY 2007	2005-07 Biennium Total
Operating Revenues:			
Sales (fuel)	\$3,014,000	\$2,941,000	\$5,955,000
Less: Cost of goods (fuel) sold	2,897,000	2,824,000	5,721,000
Gross Profit	\$117,000	\$117,000	\$234,000
Equipment Rent	\$41,842,000	\$42,388,000	\$84,230,000
Vanpool (420-94)	137,000	142,000	279,000
Equipment Sales- Cash Proceeds	2,540,000	2,123,000	4,663,000
Equipment Sales- Book Value	(3,000,000)	(2,000,000)	(5,000,000)
Interest Income-OST (Sundry sales)	430,000	430,000	860,000
Total Operating Revenues	\$42,066,000	\$43,200,000	\$85,266,000
Operating Expenses:			
Operating Labor (<i>excludes cap labor</i>)	\$10,816,575	\$10,871,128	\$21,687,703
Fuel (for fleet)	4,686,000	4,515,000	9,201,000
Repair Parts	4,289,000	4,370,000	8,659,000
Outside Repair	1,872,000	1,525,000	3,397,000
Fees Paid to other agencies	430,000	432,000	862,000
Depreciation	18,907,795	20,392,066	
Other	1,664,000	1,694,000	3,358,000
Non-Capitalized Equipment	475,000	500,000	975,000
Total Operating Expenses	\$43,140,370	\$44,299,194	\$48,139,703
Nonoperating Revenues (Expenses)			
Interest Income- OST	\$0	\$1,000	\$1,000
Total Non-op Rev (Exp)	\$0	\$1,000	\$1,000
Income (Loss) Before Contributions and Transfers			
Capital Contributions	\$2,000,000	\$2,000,000	\$4,000,000
Transfers in (out)			
Net Contributions and Transfers	\$2,000,000	\$2,000,000	\$4,000,000
Change in Net Assets	\$925,630	\$901,806	\$1,827,436
Net Assets - Beginning	\$149,245,571	\$150,171,201	\$149,245,571
Net Assets - Ending	\$150,171,201	\$151,073,007	\$151,073,007

Operations Transportation Equipment Fund
Projected Statement of Fund Net Assets
June 30, 2007

	FY 2006	FY 2007 & Biennium End Totals
Assets		
Current Assets:		
Cash	\$4,000	\$4,000
Accounts Receivable	3,630,000	3,630,000
Consumable Inventory - Parts	1,430,000	1,430,000
Consumable Inventory - Gas & Oil	1,360,795	1,360,795
<i>Total Current Assets</i>	<i>\$6,424,795</i>	<i>\$6,424,795</i>
Noncurrent Assets:		
FEMS-MinorCap-Netman	\$266,422,257	\$275,716,129
Less: Accumulated Depreciation	118,854,523	127,246,589
<i>Total Noncurrent Assets</i>	<i>\$147,567,734</i>	<i>\$148,469,540</i>
Total Assets	\$153,992,528	\$154,894,334
Liabilities		
Current Liabilities:		
Accounts Payable	\$2,500,000	\$2,500,000
<i>Total Current Liabilities</i>	<i>\$2,500,000</i>	<i>\$2,500,000</i>
Non-Current Liabilities:		
Accrued Compensated Absences - A/L & S/L	\$1,321,328	\$1,321,328
<i>Total Non-Current Liabilities</i>	<i>\$1,321,328</i>	<i>\$1,321,328</i>
Total Liabilities	\$3,821,328	\$3,821,328
Total Net (Deficit) Assets	\$150,171,201	\$151,073,007

Operations Transportation Equipment Fund
Projected Statement of Cash Flows
For the Biennium Ended June 30, 2007

	FY 2006	FY 2007	2005-07 Biennium Total
Cash Flows from Operating Activities:			
Receipts from customers	\$45,423,000	\$45,901,000	\$91,324,000
Payments to suppliers	(15,838,000)	(15,360,000)	(31,198,000)
Payments to employees	(11,706,000)	(11,765,000)	(23,471,000)
Other receipts (payments)		1,000	1,000
Net Cash Provided (Used) by Operating Activities	17,879,000	18,777,000	36,656,000
Cash Flows from Noncapital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities			
Proceeds from sales of capital assets	\$2,540,000	\$2,123,000	\$4,663,000
Acquisitions of capital assets	(20,419,000)	(20,900,000)	(41,319,000)
Net Cash Provided by (Used in) Investing Activities	(17,879,000)	(18,777,000)	(36,656,000)
Net Increase (Decrease) in Cash	-	-	-
Cash as of July 1 (beginning)	4,000	4,000	4,000
Cash as of June (ending)	4,000	4,000	4,000
Cash Flows from Operating Activities:			
Operating Income (Loss)	-	-	-
Depreciation	18,907,795	20,392,066	39,299,861
Change in Assets: Decrease (Increase)			
Receivables (net of allowance)	-	-	-
Inventories	-	-	-
Change in Liabilities Increase (Decrease)			
Payables	-	-	-
Net Cash or Cash Equivalents Provided by (Used in) Operating Activities			
Noncash Investing, Capital and Financing Activities:			
Contributions of capital assets	\$2,000,000	\$2,000,000	\$4,000,000

Appendix C

Miscellaneous Transportation Programs Account

Appendix C

Miscellaneous Transportation Programs Account

The Miscellaneous Transportation Programs Account was created by the Legislature in 1997 (Chapter 94, Laws of 1997). It was established to account for federal funds that are administered by the department and are passed through to local governments, and for expenditures and reimbursements for services the department provides to other government agencies and the public for which the department receives full reimbursement. This is a non-budgeted fund that is exempted from legislative appropriation and Office of Financial Management (OFM) allotment requirements.

Because the fund is non-budgeted and non-appropriated, the department is not required to develop and submit a biennial budget for federal pass through funds or reimbursable services to the Legislature for formal review and approval, or require legislative appropriations for expenditure authority. Exemption from allotment requirements means the department is not required to submit biennial spending plans to OFM. Before the 1997-99 biennium, expenditures for both activities were processed through the Motor Vehicle Fund and other transportation funds that are subject to both appropriation and allotment controls.

Although federal pass through funds and reimbursable services that are processed through the Miscellaneous Transportation Programs Account are exempted from legislative budgeting and appropriations requirements, they are subject to internal department budget and expenditure controls. Moreover, all documentation, accounting, and reporting requirements for appropriated funds are applied to this fund. The department also is required to submit annual reports to the Legislative Transportation Committee and OFM on the expenditures processed through the Miscellaneous Transportation Programs Account.

Miscellaneous Transportation Programs Account Activities

The 2005-07 biennium expenditure plan for the Miscellaneous Transportation Programs Account totals \$526.5 million. Six of the department's programs account for most of this amount. Other programs that provide miscellaneous transportation services to other government agencies and private parties represent less than one percent of planned expenditures. The six major programs and their activities that are accounted for by the Miscellaneous Transportation Programs Account are:

Program I — Improvements

The department provides project design services and construction project administration to the Central Puget Sound Regional Transit Authority (Sound Transit) for that agency's regional express bus program. Projects involving the department include direct access ramps to state highways for Sound Transit buses and carpools and related high occupancy vehicle (HOV) and supporting facilities such as park and ride lots.

Program M – Highway Maintenance

The Highway Maintenance Program reimbursable services consist mainly of maintenance work performed for cities and counties, and the federal government on roads that are not part of the state system.

Program P – Preservation – Subprogram P9 – Sales and Services to Others

This program accounts for several types of reimbursable services that are provided to other

government agencies and private parties. They include services of the department's Materials Laboratory and Geographic Services cost recovery centers, highway access permit reviews, and real estate reviews and appraisals.

Program T —Transportation Planning, Data, and Research – subprogram T6 – Pass Through Funds

Program T administers the distribution of federal funds to the state's eight Metropolitan Planning Organizations to support their transportation planning activities.

Program V — Public Transportation

Public Transportation administers federal grants from the Federal Transit Administration (FTA) that are given to public and private transit agencies. The major FTA grant programs that are included in the Miscellaneous Transportation Programs Account are the FTA Section 5310 program that provides grants to transit agencies serving the elderly and persons with disabilities, and the FTA Section 5311 program that funds projects to improve public transportation in non-urban areas. Public Transportation also administers FTA grants for bus purchases and other transit equipment (FTA Section 5309), and the FTA Job Access and Reverse Commute Program that funds transportation services needed by low income people to access jobs and related support services.

Program Z — Highways and Local Programs – Capital

Off state system projects – Subprogram Z2

Highways and Local Programs is responsible for administering federal funds that are earmarked for city and county highway projects. Miscellaneous Transportation Programs Account expenditures for these projects consist mainly of payments for these local agencies project expenditures. Also included is Highways and Local Programs work on projects for which cities and counties fully reimburse the department.

Local agency investments on the state system – Subprogram Z9

The Miscellaneous Transportation Programs Account is used to account for projects on the state system for local governments that are paid from local or federal funding sources.

Miscellaneous Reimbursable Activities

Other department programs use the Miscellaneous Transportation Programs Account for sales of goods and services to government agencies and the public for which the department is fully reimbursed for production costs. The initial 2005-07 biennium expenditure plan includes small amounts for four other programs. They are Transportation Management and Support (Program S), Traffic Operations (Program Q), and Highways and Local Programs – Operating (Program Z). In addition, an amount is included for Program T (Subprogram T2) for sales of transportation data reports to other government agencies and the public.

Ten-year Expenditure Plan

In conjunction with development of the current law budget, the department developed ten-year expenditure plans for the Miscellaneous Transportation Programs Account activities. They are based on estimated federal funds available for distribution by these activities, and projected requests from other agencies for the reimbursable transportation services provided by the department.

Miscellaneous Transportation Programs Account

Ten-year Expenditure Plan

(Dollars in Millions)

Program	Dollars 2003-05	FTEs 2005-07	Dollars					Ten-year Total
			2005-07	2007-09	2009-11	2011-13	2013-15	
I Highway Improvements — Sound Transit	\$138.0	91.0	\$117.7	\$70.3	\$6.5	\$0.0	\$0.0	\$194.5
M Highway Maintenance	2.8	22.8	2.8	2.9	3.0	3.1	3.2	15.0
P Subprogram P9 - Sales & Services to Others	7.5	37.0	8.1	8.3	8.5	8.8	9.1	42.8
T Transportation Planning, Data, & Research – Subprogram T6	11.1	-	10.5	10.8	11.1	11.4	11.7	55.5
V Public Transportation	17.8	6.0	15.9	17.3	16.7	18.0	17.4	85.3
Z Highways & Local Programs – Capital *	367.3	75.0	371.0	371.0	371.0	371.0	371.0	1,855.0
Other Programs – S, Q, & Z, and Subprogram T2**	3.6	4.6	0.5	0.5	0.6	0.6	0.6	2.8
Total	\$548.1	236.4	\$526.5	\$481.1	\$417.4	\$412.9	\$413.0	\$2,250.9

*Current Estimate – Federal funding cannot be accurately projected until passage of the Federal Transportation Act.

**2003-05 expenditures include \$1.7 million for a Capital Facilities (Program D) project.

Appendix D

FTE Summary



Operating Budget

FTEs

	2003-05 Budget	2005-07 Current Law Proposed Budget
Highways		
Highway Maintenance & Operations	1,463.5	1,471.3
Traffic Operations	238.4	247.4
Toll Operations & Maintenance		11.3
<i>Highways Total</i>	<i>1,701.9</i>	<i>1,730.0</i>
Ferries		
<i>Ferries Maintenance & Operations</i>	<i>1,638.0</i>	<i>1,639.2</i>
Public Transportation & Rail		
Public Transportation	25.9	26.9
Rail	11.8	11.8
<i>Public Transportation & Rail Total</i>	<i>37.7</i>	<i>38.7</i>
Aviation		
<i>Aviation</i>	<i>10.5</i>	<i>10.5</i>
Transportation Partnerships		
Transportation Economic Partnerships	6.0	6.0
Local Programs	46.6	47.6
<i>Transportation Partnerships Total</i>	<i>52.6</i>	<i>53.6</i>
Support Services		
Facilities Maintenance & Operations	92.4	95.4
Program Delivery Management & Support	275.7	270.7
Transportation Management & Support	171.0	173.0
Information Technology	244.1	233.6
Transportation Planning, Data, & Research	191.5	205.2
<i>Support Services Total</i>	<i>974.7</i>	<i>977.9</i>
Total	4,415.4	4,449.9

Capital Budget

FTEs

	2003-05 Budget	2005-07 Current Law Proposed Budget
Highways		
Highway Construction		
Highway Improvements	1,436.4	1,377.0
Tacoma Narrows Bridge	38.0	37.0
Highway Preservation	984.7	975.0
Total Highway Construction	2,459.1	2,389.0
Capital Facilities	9.0	9.5
Traffic Operations	19.0	19.0
<i>Highways Total</i>	<i>2,487.1</i>	<i>2,417.5</i>
Ferries		
<i>Ferries Construction</i>	<i>127.0</i>	<i>162.0</i>
Rail		
<i>Rail</i>	<i>7.0</i>	<i>10.0</i>
Total	2,621.1	2,589.5

Appendix E

WSDOT Organization Chart

The WSDOT organization chart can be viewed at:

http://www.wsdot.wa.gov/SiteIndex/orgchart_july04.pdf

Appendix F

Gray Notebook Subject Index

The Gray Notebook Subject Index can be viewed at:
<http://www.wsdot.wa.gov/accountability/graybookindex.htm>

Appendix G

Glossary

Appropriation

A legislative authorization to make expenditures and incur obligations for specific purposes from designated resources available or estimated to be available during a specified time period. Only the Legislature is authorized to make appropriations in Washington State.

Biennium

A 24-month period extending from July 1st of odd numbered years to June 30th of odd numbered years to which the appropriation legislation applies. For example, the 2005-07 biennium extends from July 1, 2005, to June 30, 2007.

Bond

A debt instrument issued through a formal legal procedure and secured either by the pledge of specific properties or revenues or by the general credit of the state.

Budget

An itemized forecast of income and expenditures expected for some period in the future.

Carry Forward Level

Current biennium appropriations adjusted for biennialization of legislatively directed workload and service changes, and deletion of costs that the legislature considered non-recurring.

Current Law Budget (CLB)

The department budget proposal funded within existing and/or reasonably assumed resources based on current state law.

Decision Package

A summary of the proposed change, consolidating the reason and benefit(s), financial information, supporting justification, and impact for a specific action or policy proposed for implementation in the budget.

Fiscal Year - State

A state fiscal year is a twelve-month period beginning July 1st and ending June 30th. For example, fiscal year 2006 is the twelve-month period from July 1, 2005 to June 30, 2006.

FTEs (Full Time Equivalent staff)

In the department, one FTE equates to approximately 1,779.54 hours of work for fiscal year 2004 and is determined by available hours less holidays and a three-year historical average of used vacation and sick leave. The factors for conversion are calculated on a monthly basis for regular full-time employees, temporary employees, and for overtime.

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes. Funds are segregated for the purpose of isolating specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Highway System Plan

A component of the Washington Transportation Plan to address the state highway system. The plan includes a comprehensive assessment of the current deficiencies and the conceptual solutions for the state highway system for the next 20 years. The plan is updated every two years, guides the department in prioritizing and budgeting for highway projects, and helps local authorities coordinate their comprehensive planning with future state highway needs.

Maintenance Level

The cost to maintain the same level of service with adjustments for mandatory workload, inflation, and other legally unavoidable costs not contemplated in the current budget.

Motor Vehicle Fuel Tax

The state levied tax on motor vehicle fuel and special fuel that is imposed at a “cents per gallon” rate. The current state tax is 28 cents per gallon.

Motor Vehicle Fund

The fund containing receipts from motor fuel taxes; motor vehicle registration licenses, permits, and fees; and other transportation user fees. May only be used for highway purposes as provided in the 18th Amendment of the State Constitution.

Multimodal Transportation Account

An account established in the 2000 Legislative Session funded by receipts from sales tax on vehicles, rental car tax, motor vehicle license permits & fees, and miscellaneous. This account may be used for all transportation purposes, including highways, ferries, rail, and public transportation.

Performance (or Policy) Level

Incremental expenditure changes that may represent revised strategies or substantial differences in program direction. This includes new programs or any change in the level or scope of existing programs, addressing workload not defined as mandatory, and proposed program reductions or eliminations.

Performance Measure

Quantitative indicators of how agency programs or services are contributing to the attainment of strategic plan elements.

Ten-year Financial Plan

The current budget proposal and estimated future biennia investments for all department programs by fund source and type.

Subprogram

Identifies major activities within a program.

Transportation 2003 (Nickel) Account

An account established in the 2003 Legislative Session only for projects identified as Transportation 2003 projects and to pay the principal and interest on bonds authorized for these projects. The revenue from increased gas tax and gross weight fees are deposited into this account.

Washington Transportation Plan

Washington Transportation Plan (WTP) is the department 20-year vision for the state-owned and state-interest modes of transportation.